

## IN LIEU OF AN INTRODUCTION

We introduce this first issue of the English version of 'Lal Salaam'. We do not commit ourselves to its regular publication, despite our desires to do so. Given the limited translation resources at our disposal and our pre-occupations, we cannot make such a commitment at this stage of our development. We believe in initiating things and then consolidating them as we go along.

The present issue of 'Lal Salaam' contains translations of the document of the 5th conference of the Communist League of India (Marxist – Leninist), held between 15th June and 21st June, 2002. It does not contain translations of all the documents passed at the conference. Resolutions on current events and the internal – organizational report have been left out. It contains translations of the evaluation of the International–National Situation, the Organizational Line, resolutions on Ideology and on the formation of an All-India Communist Party, and the homage to martyrs. If any discrepancy is found between the content of documents in this issue of 'Lal Salaam' and those passed at the conference, the Hindi version of these documents (published in '**yky lyke**' vad&5) shall be treated as the arbiter.

In 1997 the Communist League of India (Marxist-Leninist) convened its third conference, and in 1998 its fourth conference. But both these conferences did not make any fresh evaluation of the National-International situation. They merely re-iterated the positions adopted at the second conference (1987). The third and the fourth conferences were convened to resolve serious differences that had arisen in our party organization, which had started emerging since 1995. The third conference (1997) was convened by the leading committee (the Central Organizer's Committee) of our party-organization. It discussed the differences at length, but it failed to resolve them. Therefore the conference decided to convene another conference in 1998 to resolve these unresolved issues. The Central Organizer's Committee (COC) was retained as the leading body of the organization. But between these two conferences the erstwhile leadership of our party-organization took

an extra-ordinary step – it made a fundamental change in the structure of our organization, it dissolved the top committee (exclusively made up of professional revolutionaries) and replaced it with another committee (made up of professionals and non-professionals), which was called the General Council and which would be regulated by an Advisor who was not answerable to any committee of the party-organization. By imposing this non-Leninist form on the party-organization, the erstwhile leadership organized the boycott of the 1998 conference scheduled to be held two months later. It was partly successful in its endeavor, it managed to prevent some delegates from participating in the fourth conference in 1998. The fourth conference of CLI (M-L) constituted the Re-organizing Committee as the leading body of our party - organization, and entrusted it with the responsibility of guiding the party-organization out of this crisis.

Barely two months after the 1998 conference, the boycott faction organized under Com. Ramnath's leadership, formally declared a split. Thus by avoiding the 1998 conference and consequently by splitting away, Com. Ramnath's faction thwarted the advance of the two line struggle that had been going on for more than two years. Although the inner-party struggle could not be fruitfully concluded because of such paranoid behaviour exhibited by Com Ramnath's faction, it was still able to develop to the point where the two lines could be clearly demarcated. In this two-line struggle Com. Ramnath evaluated the work of the party-organization and the history of the International Communist Movement by making a person-centered analysis after leaving out the context. His opponents on the contrary were insisting that the long established dialectical-materialist methodology be observed while evaluating our party-work or the history of the ICM. The struggle between these two viewpoints was at the core of the inner-party struggle that went on for more than two years. Com. Ramnath's unscientific person-centered method of analysis has developed to the point where he does not consider the 'Declaration of 1957' and the 'Statement of 1960' as necessary compromises by Mao-Tse-Tung. On the contrary he brands them as evidence of un-principled compromises by Mao. In his view, rather go in

for such compromises Mao should have precipitated a split in the ICM in 1956 itself. Indirectly he rejects the truth of the 1st Comment of the 'Great debate' of 1963 i.e. the comment on the history of the struggle between 1956-63. Instead of acknowledging and learning from the patience and proletarian firmness exhibited by Mao, Com. Ramnath's advocates a split right in 1956-57 i.e. at the underdeveloped stage of that epic struggle. Such an approach will never allow the proper development and fruitful conclusion of two line struggles. This splitist tendency can not be the viewpoint of the proletariat. Communists do not fear struggles, they believe in struggling to convert unfavorable situations into favorable ones.

Com. Ramnath's metaphysical and idealist person-centered method of analysis does not confine him to incorrect conclusions about the work of his own party-organization, it leads him to other incorrect conclusions about the International Communist Movement as well. There are quite a few examples of this, for instance -- while ignoring the complex circumstances and the conditions of the Communist Parties at the time of the II world war he concludes that the communist had to be dissolved because Mao was allergic to Stalin; or his belief that by publishing the article 'Spring thunder over India', Mao throttled a healthy debate on the question of strategy for India's revolution etc. Besides being subjective such conclusions are harmful for the communist movement. Since it flows out of this context-ignoring, person-centered analytical methodology, the summing up of the history and the work of our party-organization as expressed in the 'Political – Organizational Report' presented at the 1997 conference, is also one-sided, subjective, wrong and disheartening. Apart from this basic difference over the methodology to be adopted while making analysis, other important differences with Com. Ramnath's line were that we struggled to rectify the adhoc style of functioning of the organization and replacing it by a formal structure and a formal style of functioning, we wanted the party to have formal mass-organizations and we were for the development of mass-struggles and we wanted the task of party- building to be based on these things. At the same time we rejected the style of making self-demeaning,

idealistic 'self-criticism' and struggled for the concept that the consolidation of the party-core has to be based on a scientific synthesis of practice and theory.

Despite the major differences mentioned above and other differences as well, we think that Com. Ramnath's basic error is not his deviations. Deviations of this kind are things that should be expected in the present state of the communist movement. They can be resolved and overcome through persistent struggle. Com. Ramnath's basic error lies in skirting the 1998 conference and splitting. He should have had confidence in the correctness of his positions, plus in the revolutionary character of the cadre that was gathering for the conference and he should have gathered the courage to face his opponents at the conference. By leaving the struggle mid-way he has set a precedent that makes party building next to impossible.

The Re-organizing Committee, Communist League of India (Marxist-Leninist) is a product of the struggle against Com. Ramnath's line. 'Lal Salaam' (**'yky lyke'**) is its organ. We consider Marxism–Leninism–Mao thought to be our guiding ideology. It is our understanding that in India the main mode of exploitation no longer remains semi-feudal, semi-colonial; that it has become capitalist (within the imperialist frame work) and therefore the stage of the revolution is also socialist rather than neo-democratic, that the task of eliminating feudal remnants in the base and super structure is a democratic task that the socialist revolution will complete as a by-product, that the path of the Indian revolution is insurrection and not protracted peoples' war, that today the forces of the Indian revolution are not organized under an All-India Communist Party, and the communist movement exists in the form of various pre-party organizations, that the task of forming an All-India Communist Party is the central task before communist revolutionaries today.

We are aware of the fact that the documents of the 5th conference, published in this issue of 'Lal Salaam' reflect the incompleteness of our understanding and the limitations of our experience. At the same time they are also a reflection of the level of development/immaturity of the communist movement of our country. But we believe that communist revolutionaries in

our country and in other parts of the world will study them seriously and will point out our inconsistencies and mistakes. We expect them to engage us in an open and principled struggle. It is only through a process of serious criticism/self-criticism that we can grow in political maturity.

## ***Document - I***

# **PREFACE TO ASSESSMENT OF INTERNATIONAL AND NATIONAL SITUATION**

Almost 15 years ago, in 1987, in the second conference of the Communist League of India (M-L), which was also a unity Conference with the Revolutionary Communist Party of India, two documents on the assessment of International and national situation were accepted and published in Red Star (3rd issue), the official organ of the Party. The title of the 1st is 'Evaluation of the International situation' and the 2nd 'The Goal of the Indian Revolution'. At the international level the thesis of economic neo-colonialism and at national level the line of stage of socialist revolution was formulated.

The changing course of events in the past 15 years, at international and national level has proved the above line and the thesis to be basically correct. The past 15 years, full of complicated and criss-crossing events, have proved that the basic reasoning and fundamental proposition of the thesis and line are correct and hence the basic conclusions drawn from them are also correct.

Despite this, the chain of events of the last 15 years have also brought to light some deviations, some weaknesses and some mistakes in our evaluation. Among them, the first were ideological, the 2nd due to a lack of an examination in totality and 3rd those in which events developed in a different manner and hence proved wrong later on. The first is more serious and 2nd less serious.

Among these, the most serious mistake is our position on the situation of the society after the transformation of the Soviet Union and Eastern Europe from Socialist to Capitalist societies. The position taken in the above documents on these is to some extent the influenced by a metaphysical-

idealistic approach. At the root of this way of thinking is the fact that we are unable to free ourselves from petit-bourgeoisie illusions with regard to erstwhile socialist countries.

It is true that we did not have adequate facts available on these societies and the revisionists of these countries themselves and western imperialists were trying to veil from the masses of the world the actual position. Still if we started from a correct Marxist approach we could save ourselves from making a wrong assessment about them. Making this wrong assessment implied not only our inability to realize that the situation was reaching explosive proportions. More important was the thinking that even now, advanced social institutions remained in these countries. Therefore in spite of calling them capitalist and their governments Fascist, these societies were said to be better than the rest of the imperialist or third world countries.

Similarly the assessment that they were moving in an oscillatory manner, which makes them sometimes move towards liberalization and market forces and sometimes towards socialist control and planning, and that after the revolution in these societies they can return back to socialism on the basis of existing institutions, was also wrong. This also was a result of the same metaphysical idealistic approach.

There were mistakes, also, in the assessment of the strength of imperialism and its future course. After 15 years, it is clear today that our assessment was influenced too much by the mutual rivalry between the two super powers and we were not conscious about it. We did not see that if this contradiction were resolved, especially in favor of U.S.A., what would be its consequence. That is why we made the mistake, in our analysis that imperialism will go on weakening. Viewed as a long-term objective tendency, this is correct (where the main role is that of people's struggles). But we could not visualize that imperialism could also be stronger and dominating in the short term. This is what happened in the 1990's.

Along with this, in our thesis on economic neo-colonialism, we did not give the stress that was needed, on the political-military-social-cultural forms of imperialist oppression and coercion. It is true that in the present phase of

economic neo-colonialism imperialist exploitation is based mainly on the mechanism of capital i.e. by economic means. But imperialism is a complete economic-political-military-social and cultural system. Therefore, it will use all possible forms of oppression. Political and military coercion are a part of it.

In totality also, the strength of imperialism, especially of finance capital and its networks have been given lesser weight in our evaluation.

Similarly, in our assessment, the process of de-colonization in third world countries after their formal political freedom has been presented with more than due emphasis. Although the reference to the tendencies and process of de-colonization is correct, but the description of its end-result is somewhat exaggerated. The assessment of autarky of these countries from imperialist finance capital network (and its hold) is somewhat incorrect. Description of their economic independence is somewhat exaggerated.

The description of capability of the capitalist class, the vehicle of desalinization of the third world countries, to complete this process is also not correct. Its capability has been over-rated. Although its role and destiny have been correctly assessed but the limits of its capabilities have, to some extent, been overlooked.

As a result, the national struggle of South Africa and its outcome and fate have been exaggeratingly presented. Later events have proved wrong, the assessment made about it.

In the evaluation of Indian society also, under 'On the stage of Indian revolution', the influence of imperialism and feudalism has been relatively underrated.

These mistakes and drawbacks have caused problems in the acceptance of our correct thesis and line, by the entire communist movement. It has also stood in our way, in our attempt to start healthy debate on imperialism and the stage of Indian Revolution. Not only this, it has indirectly created hindrance in advancing the struggle against imperialism and capitalism.

We openly accept the above mistakes and weakness and make self-criticism for this.



In the assessment of international and national situation that is being presented here, we are trying to rectify these mistakes and shortcomings. Along with this, an objective analysis of the present situation has been presented keeping in view the happenings of the last 15 years.

## **INTERNATIONAL SITUATION**

### **I**

#### **The present position of imperialist countries**

For last three decades, the entire imperialist world is in the grip of economic stagnation. After completion of reconstruction in post war Europe and Japan, these economies are unable to go beyond extremely low growth rates. Besides, within this condition of general stagnation, phases of boom and bust keep coming and going. The imperialist world is unable to break this stagnation.

In this condition of stagnation today, the competition within the capitalist class is becoming fierce and fiercer. This is becoming acute between imperialist companies of every country – between its multinational and overseas corporations – at the same time it is increasing between imperialist countries and their groups/factions. There is a flood of mergers and acquisitions within these countries and also outside. Records are being established one after the other of mergers and acquisitions. Similarly trade war is increasing between imperialist countries and their factions.

As a result of economic stagnation and weakening of the organized labor movement, the capitalist class has declared war on workers and the workers are losing their hard won concessions and facilities one by one. Welfare state is being gradually dismantled and the working masses are being

pushed to destitution. The condition of the working masses is falling not only in relative terms but in many places in absolute terms as well.

The general crisis of the capitalist class, their uncontrolled attacks on the working class and the destitution of the masses — these conditions are making the political systems in these countries more and more reactionary.

The democratic rights enjoyed by the masses are being axed and the machinery of brutal suppression is being increasingly strengthened. In spite of existence of democracy as top dressing and the shouting by the rulers about its existence, the democratic rights of the workers and general masses are being curtailed.

Although there is open and private capitalism, the state is more and more directly becoming one with the capitalist class. Not only are members of monopoly capitalist class in seats of power in different posts, but also the monopoly companies having gigantic proportions have started to influence governmental affairs directly. These monopolistic companies are directly influencing government policies and activities or even conducting them. In sum, a special kind of state monopoly capitalism has been set up in these imperialist countries. In these countries in the economic system itself, the share of government is comparatively less (and after the attack on welfare state it is becoming lesser), but in contradiction, monopoly capital has direct intervention in the state.

This state monopoly capitalism is directing the social system in the interest of the entire capitalist class. But the political system is continuously becoming crisis ridden. Where there is parliamentary system this is reflected in rise and fall of governments one after another. It is true that in these countries there is not much political unrest and social upheaval. But the fact that the masses are becoming disinterested and even cynical towards the political process is an indication of the intensity of the political crisis. In all these countries the electoral process has become a game of the media and exhibition of the clownish behavior of politicians and political parties in which hardly half the masses take any interest. As is known the entire capitalist age is devoid of great heroes but during the past years there has been a flood of

dwarf, clown like politicians. In these countries, it is being openly talked about that during the last two or three decades nothing has been born that can be inspiring or historical.

The social system in these countries has become more and more inhuman. Whatever the capitalist class has done to increase its profit has resulted in untold social tension, dispute and crisis. Families have broken up and the elderly have been separated and are waiting to die. There is a flood of single mothers. More than half the marriages are resulting in divorce. Violence against women and incidents of oppression are increasing. Violence and drunkenness are increasing in the entire society. Discrimination against non-white people residing in these countries is increasing. Entire society is in the grip of intolerance, impatience and fascist outbursts, which are increasing.

To increase its accumulation more and more the capitalist class has given birth to a very base consumerist culture. The one and only occupation of human beings in these societies is to work for the capitalist class and buy their products and consume them. This consumerist culture is continuously becoming inhuman on a bigger and bigger scale. An aspect of this is the insensitiveness shown by a large population of these countries towards the oppression wrought on the non-imperialist world by imperialists, even going to the extent of justifying it.

The monopoly capitalist class, by capturing the media and communication channels has used them to blunt the consciousness of the masses and is diverting them in support of the capitalist class. By controlling the channels of communication, the capitalist class is maintaining not only physical but also ideological hold over the working class and other working masses. The capitalist class is not only deciding where, in which condition and on what terms the working class and general working masses should work but it is also deciding what they should consume, think and not think. Because of this ideological stranglehold, in spite of their deteriorating living conditions the working class and laboring masses are unable to stand in opposition to the capitalist system.

Another special feature of these countries is the weakening of the labor movement and more so of the revolutionary movement. Here the older established trade unions are proving to be powerless when faced with the attacks by capitalist class. Their bargaining power has decreased a great deal. The working class is therefore compelled to retreat. Though some new initiatives for resistance have been taken by the working class in last five-six years but still they are very far from stopping the attacks by the capitalist class, leave alone driving them back.

Table: 1										
Growth rate of Gross Domestic Product (%)										
Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
U.S.A	1.2	-0.7	2.6	3	3.5	2.7	3.6	4.4	4.4	4.2
Japan	4.8	4.3	1.1	0.1	0.6	1.5	5.1	1.6	-2.5	0.2
Germany	5.7	4.5	2.1	-1.3	2.7	1.7	0.8	1.4	2.1	1.6
France	2.5	0.8	1.2	-0.9	2.8	1.8	1.1	1.9	3.2	2.9
England	0.4	-2.2	-0.6	1.9	4.3	2.8	2.6	3.5	2.6	2.2
Canada	-0.2	-1.7	0.7	2.4	3.9	2.8	1.5	4.4	3.3	4.5
Italy	2.1	1.2	0.7	-0.7	2.2	2.9	1.1	1.8	1.5	1.4
All Developed countries	2.5	0.8	1.7	1.2	2.9	2.5	3.2	3.5	2.5	3
G-7	2.4	0.8	1.7	1.3	2.8	2.3	3	3.2	2.5	2.9
European Union	3	1.5	1	-0.4	2.9	2.4	1.7	2.5	2.7	2.4
All less developed countries	3.8	4.5	5.9	6.1	6.7	6.1	6.5	5.7	3.5	3.8

Table: 2										
Rate of unemployment (%)										
Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
USA	5.4	6.6	7.3	6.7	6.1	5.6	5.4	4.9	4.5	4.2
Japan	2.1	2.1	2.2	2.5	2.9	3.1	3.4	3.4	4.1	4.7
Germany	4.8	4.2	4.6	5.8	9.6	8.2	8.6	9.5	8.9	8.3
France	8.9	9.4	10.4	11.6	12.2	11.7	12.3	12.4	11.8	11.1
England	7	8.8	10	10.3	9.4	8.7	7.9	6.5	5.9	6
Canada	8.1	10.2	11.2	11.1	10.4	9.5	9.6	9.1	8.3	7.6
Italy	10.3	9.9	10.5	10.2	11.3	11.9	11.7	11.8	11.9	11.5
All developed countries	6.1	6.8	7.5	7.8	7.9	7.8	7.3	7	6.8	6.7
G-7	8.1	10.2	11.2	11.1	7.2	6.8	6.7	6.4	6.2	6
European Union	8.4	8.7	9.5	10.6	11.5	10.7	10.7	10.4	9.8	9.1

<b>Table: 3</b>			
<b>Gross National product: developed countries</b>			
<b>Year – 1998</b>			
<b>Country</b>	<b>Gross National Product</b>		
	<b>Total (billion dollars)</b>	<b>Per capita (dollars)</b>	
<b>USA</b>	<b>7903</b>	<b>29240</b>	
<b>Japan</b>	<b>4089</b>	<b>32250</b>	
<b>Germany</b>	<b>2180</b>	<b>26590</b>	
<b>France</b>	<b>1465</b>	<b>24210</b>	
<b>England</b>	<b>1264</b>	<b>21410</b>	
<b>Italy</b>	<b>1157</b>	<b>20090</b>	
<b>Canada</b>	<b>581</b>	<b>19170</b>	
<b>Spain</b>	<b>552</b>	<b>14100</b>	
<b>Netherlands</b>	<b>389</b>	<b>24780</b>	
<b>Australia</b>	<b>387</b>	<b>20640</b>	
<b>Russia</b>	<b>332</b>	<b>2260</b>	
<b>Switzerland</b>	<b>284</b>	<b>39980</b>	
<b>Belgium</b>	<b>259</b>	<b>25380</b>	
<b>Sweden</b>	<b>226</b>	<b>25580</b>	
<b>Austria</b>	<b>217</b>	<b>26830</b>	
<b>Turkey</b>	<b>200</b>	<b>3160</b>	
<b>Denmark</b>	<b>175</b>	<b>33040</b>	
<b>Norway</b>	<b>152</b>	<b>34310</b>	
<b>Finland</b>	<b>125</b>	<b>24280</b>	
<b>Greece</b>	<b>123</b>	<b>11740</b>	
<b>Portugal</b>	<b>106</b>	<b>10670</b>	
<b>Ireland</b>	<b>69</b>	<b>18710</b>	

<b>Luxemburg</b>	<b>19</b>	<b>45100</b>	
<b>European Union</b>	<b>8331</b>	<b>22098</b>	
<b>Total World</b>	<b>28109</b>	<b>4648</b>	

<b>Table: 4</b>		
<b>Gross National Product: Large countries of the third world</b>		
<b>Year – 1998</b>		
<b>Country</b>	<b>Gross National Product</b>	
	<b>Total (billion dollars)</b>	<b>Per Capita (dollars)</b>
<b>China</b>	<b>924</b>	<b>750</b>
<b>Brazil</b>	<b>767</b>	<b>4630</b>
<b>India</b>	<b>427</b>	<b>440</b>
<b>South Korea</b>	<b>398</b>	<b>8600</b>
<b>Mexico</b>	<b>368</b>	<b>3840</b>
<b>Argentina</b>	<b>290</b>	<b>8030</b>
<b>Taiwan</b>	<b>268</b>	<b>12280</b>
<b>South Africa</b>	<b>137</b>	<b>3310</b>
<b>Indonesia</b>	<b>130</b>	<b>640</b>
<b>Iran</b>	<b>102</b>	<b>1650</b>
<b>Egypt</b>	<b>79</b>	<b>1290</b>
<b>Algeria</b>	<b>46</b>	<b>1550</b>

The communist revolutionary movement in these countries is very weak. It is limited to small and uninfluential groups. The general labor and working population, removed from these organisations is either unorganized or with ruling class or reformist leaders.

In sum, the economic-political-social-cultural crisis in these imperialist countries is very acute and is increasingly becoming more so. But still it is far from a revolutionary crisis and the ruling class is comparatively strongly embedded. In the absence of a strong working class and communist revolutionary movement, it is not facing any challenge.



U.S.A. is the leader of the entire imperialist world. After the disintegration of Soviet social imperialism, it is using all its might to impose its hegemony on a world scale and appears to be succeeding to some extent.

The American economy is in a similar state of stagnation like the entire imperialist world. Since a long time its economy is in the mode of slow growth rate. Still from the mid 1990's and later its growth rate has been more than that of other imperialist countries. In 2001, it faced recession and that is still continuing.

In the mid 1990's and later, acceleration in growth rate of American economy had a unique feature – it was jobless growth. Although the share market was touching new heights, there was no increase in employment at a similar rate. Besides, during this period the monopolistic companies retrenched workers from jobs on a large scale. These companies declared war on their workers and cut the number of workers in their plants one after another. They called this labor restructuring and down sizing.

Besides the above retrenching, these monopolist companies started employing contract or temporary workers instead of permanent workers. This resulted in overall decrease of permanent workers and increase in the number of temporary and contract workers.

Because of this, the bargaining power of labor against capitalist class was considerably reduced. This had a direct impact on the rate of wage and other facilities. Because of this, there is not only relative but also absolute decline of wages. Not only this, the number of working hours in the whole year, increased in America. Along with development in technology and production, the working hours have increased instead of decreasing. What Marx had described about process of concentration of capital (in "Capital") and its effect, can be seen all around very clear and loud in America.

The figures of unemployed issued by the American government do not show the actual unemployment in America. It does not include those workers who in the absence of work or because of low wages have given up seeking jobs. Similarly not included in these figures is the large number of workers working in military industrial establishments. These establishments are a source of great profit for the entire American capitalist class. Their product is useful only to protect the government of the capitalist class.

The American monopolist capitalist class is not satisfied in sucking as much as it can from its working class. To increase their own profit they are engaged in fierce cutthroat competition. To survive in this competition they are increasing their size to higher and higher levels. Merger and acquisition of companies are its result. In the last few years, merger and acquisition have flooded

the scenario. This is not restricted within the country, but is taking place also outside the country. American monopoly companies are merging with or acquiring European companies. European and Japanese companies in turn are doing the same thing with American companies. Conditions have advanced so far that in the last few years in direct foreign capital investment, three-fourth has been through merges or acquisitions.

Because of this merger and acquisition process the size of these burgeoning monopolist companies expanded further. It is reaching such heights that the national economies are, in comparison, being left behind. The huge size of these monopolist companies has given birth to a very high level of socialization of production and further increased it. Under one central management they are carrying out decentralized production on a world scale. They are more and more preparing the ground conditions for the communist production system.

The war unleashed by American capitalist class against the working class since Regan's time has led to rapid increase in the industrial productivity in the last decade. Lagging behind Japan and Germany at one time, America has again overtaken them. Specially, in the field of computers and electronics industry it has once again established its hold. Today in the field of personal computer, software and Internet, the American companies have overshadowed others. Left behind America, the Japanese and European companies are now trying their level best to use the same Regan modus operandi.

The possibilities of using the capital, that the American monopolist capitalist class is amassing after sucking its workers and looting the whole world, in the production area is becoming dimmer and dimmer. Only one part of this capital is producing more than the needs of the market. Therefore, the accumulated capital is more and more entering the area of speculation. In spite of blows received periodically in the stock market, capital is being invested in different kinds of speculative ventures. The American (and of other imperialist countries also) monopolist capitalist class has become much more parasitic than in Lenin's time. It is not only collecting money from foreign countries by cutting coupons but also is engaged pure and simple speculation. This speculation has reached such levels that it has become a danger for the entire world financial system. It is spinning out of control of the imperialists themselves. The Mexican crisis in the middle of 1990's followed by the crisis of South East Asia in the later half have given the creeps to the imperialists. Therefore, they intervened there by pumping in large amount of capital. It was not their purpose to save those economies. Instead, they were saving themselves.

Too much centralized and militarized, the American monopolistic capitalist system has made the life of working class and other toiling masses hellish. After the decade of 1980 when

Regan launched a campaign to attack the working class and bring down the welfare state the situation became grimmer. The gap between rich and poor began to widen fast in America and the standard of living of the working class and toiling masses fell in absolute terms. The lowest 40% of population was continuously deep under-debt. The monopoly capitalists, in order to sell their products, have converted entire society into debtors. But the poorer classes are feeling the impact of this phenomenon more.

Today a large population in U.S.A. lives on the streets. A considerable part of the population, especially non-white sections, live in shantytown low-grade housing/clusters where there is rampant penury, crime and drunkenness/drug addiction. Today there are more jail inmates in America than in any other country. Their number is around 2 million. When government jails could not cope with these numbers, the American government has arranged for private jails. Today there are more black youngsters in jail than there are in universities.

These conditions of the American economic system are reflected in the political system in that it is becoming more and more oppressive. The more the masses are alienated from the system the more its oppressive character is being strengthened. In the decade of 1990 in its attempt to dominate the entire world, the American ruling class has not only tightened its grip on its masses but has made them more inhuman. Today a part of the American population enjoys watching the bombings of Afghanistan and Iraq as a game of fireworks. This is the characteristic expression of ideological stranglehold of monopolist capitalist class on American workers and toiling masses.

In this ideological domination, there is an important role of decadent imperialist culture. The American monopoly propaganda machine is trying to impose its culture on other parts of the world besides its own masses. Today not only third world countries but European countries also are victims of the onslaught of this Hollywood culture. The American capitalist class is also trying to impose its cultural domination on the world along with its economic-political and military domination.

As a country America is the biggest economic power. It is much ahead of others. Only the united European Union provides challenge. Besides, its military power is huge. The other five countries together do not spend on military as much as America does alone. Because of all this it is leader of the imperialist world. Although today it does not have the same dominating position on rest of the imperialist world as was in 1950 and 1960 decades, it is still in the saddle of leader. After the demise of Soviet social imperialism, America has become more aggressive and is trying

to establish its supremacy. This process has heightened its contradiction with Europe and Japan, especially in economic sphere.

To strengthen its economic position and to compete with Europe and Japan, America has mobilized Canada and Mexico to start a new trade group NAFTA. Besides, it is active in many regional organisations in different parts of the world. In the 1990's America has undertaken military action in many places. Iraq and Afghanistan are important ones. These uncontrolled and unabashed military actions are an indicator of the attempts by American imperialism to impose its supremacy on a world scale. Along with it being aimed against the third world, it is also an attempt to maintain its stranglehold on the rest of the imperialist world. They do not want to lose their leadership role in the imperialist world.

The biggest danger to America in its leadership is from European Union. The countries of Europe singly have no standing against America. But standing together Europe becomes an equal economic power with America. Though their military strength is lesser than that of U.S.A. and they are a member of America led NATO military organisation, still when the contradiction between them heats up this alliance can break up and they can increase their military power rapidly. There is continuous tension between these two in NATO.

The position of western European countries with regard to the existing capitalist system is almost similar to America. In Europe also there was large-scale mergers and acquisitions between monopolist capitalist companies and their size increased by leaps and bounds.

The process of restructuring and downsizing is being carried out on a large scale in Europe also. All European monopolist companies are following the standards of productivity set up by Reagan in America. They are driving their workers, one after the other, on the road.

The process of unification started by most European countries in the leadership of France and Germany has reached new heights in the last decade. On 1st January 2002, most of the countries joining E.U. accepted a new common currency 'euro'. This unification has very much benefited the monopolist capital of European countries. It is emerging, greatly strengthened, against its own working class and also against American and Japanese capital. In spite of stiff opposition of the working class, the process of European unification is moving forward step by step.

In the last two decades, the European capitalist class has given a big blow to the welfare state set up after the 2nd world war. The front-runner in this onslaught has been England's Thatcher government. The Scandinavian countries that have been providing security to their

people from cradle to grave are not untouched by this trend. Like in America in Europe too, the living condition of working class and toiling masses is worsening continuously.

During the whole of 1990's the growth rate in European countries has remained at a very low level. In contrast, unemployment rate has crossed all limits. Where the average unemployment rate of entire European Union remained around 10%, in some countries, for example in Spain, it reached up to 20%. The entire E.U. is in the grip of serious unemployment problem.

In the midst of growing unemployment, penury and inequality, the fabric of European societies has become ridden with tension and crisis. Here also society is beset with the crisis of break up of families, single mothers, aged left to die, crime and drunken youth. As in America, school-going children over here are also shooting their teachers and classmates in school.

The social crisis in Europe is finding its clearest expression in the growing disdain for immigrant people and growing fascist and Nazi fanaticism. Labour class in large numbers is arriving there, to do work that Europeans do not like to do. Rightists are creating an atmosphere of hatred against workers doing such menial work, for such low wages on such bad terms. As a result, there are increasing incidents of violence against them and the governments are imposing restrictions on their entry. While advocating the free flow of capital between countries the governments of these countries are restricting the inflow of labourers who are coming to do the most menial jobs.

Raising the issue of immigrants from Asia and Africa and by other means, Fascist and Nazi forces are strengthening their influence. Today they are present as a small force in almost all European countries. They have even succeeded in reaching the cabinet in Austria. From France to Italy, these reactionary forces are gradually increasing their strength.

The policies of the ruling classes and the weakening of the labour movement have prepared the ground for the birth of these forces. The compromise reached between labour and capital after the 2nd world war was broken by ruling capitalist class in the 80's and 90's. In this compromise, the leadership to the working class was provided by social democratic or the socialist parties – who were the offspring of the parties of the 2nd International who had betrayed the workers. They also played a double role by being the parties of the ruling class. Later on, the degenerated communist parties also took their side.

During the attack of capital on labour in 80's and 90's these parties abandoned the working class and shamelessly joined the capitalist class. On the collapse of 'compromise', they once again, were found to be on the side of capitalist class. This was the destiny of reformism. Today in all

Europe from England to Germany and France there is almost no difference between 'leftists' and rightists. Even as reformists, the existence of social democrats or socialists is finished.

There is a dearth of real workers parties and revolutionary communist parties in these countries. The labour movement is extremely weak. Fascist and Nazi parties are trying to fill up the vacuum that has been created. They are trying to put forward a reactionary solution to the material and spiritual crisis.

Although there has been some stirring in the labour movement, but that is not still very self-assuring. From Paris to Madrid up to Rome, the workers have demonstrated in lakhs against the government, but these still few, far between and sporadic.

In the meantime, the ruling imperialist capitalist class is constantly engaged in strengthening its regime of loot. The American and Japanese challenge is constantly haunting the European ruling classes. In contrast to Europe's most powerful country, Germany, the Japanese economy is twice as big and the American economy is four times as big. Hence, they want to confront them by uniting together. The European Union is a weapon in this direction. But the inner contradiction between them is becoming a stumbling block in this direction.

England since a long time is an agent of U.S.A. in Europe. On the one hand, it is a reluctant member in the unification of Europe and on the other an eager supporter of USA. In the last decade England has been an enthusiastic partner in America's bullying through out the world. It is not accepting the Euro as an internal currency for the time being.

There is rivalry between France and Germany on the question of leadership of the European Union. After unification, the growing power of Germany is a source of worry for France. Germany also does not spare any occasion to display its increased strength. A direct example is its role in the Balkan Crisis.

Although European countries, especially France and Germany remain in NATO to protect their imperialist interests, yet their tension with America in NATO is clearly visible. Whereas America tries to preserve NATO and keep the European rivals within its fold, the Europeans try to break loose from America. The setting up of a European army at one time was a step in this direction.

Japan is another important country of the imperialist world. It is today the number two economy in the world. In the beginning of 1990's the Japanese monopolist companies had reached the pinnacle of world's monopolist companies. Especially its giant sized banks left the banks of other countries far behind.

In the reconstruction that began after the 2nd world war, the growth rate of Japanese economy was very high, almost 10%. After that until the end of 1980's it was higher than other imperialist countries. This gave rise to many myths and Japanese industrial management system became, for the western imperialist countries an object of jealousy. Permanent jobs to workers 'for life', the control of monopolist capital on every moment of a workers life, coupled with 'just in time delivery' – this management system became accepted as a panacea for the capitalist crisis.

But the balloon of myths burst when in the Japanese economy; banks and speculative capital, in the beginning of 1990's began to declare bankruptcy. Sky rocketing Japanese share markets started falling and today gradually it has been grounded. The Japanese banks are heavily indebted and are dependent on government aid for their survival. Once they go bankrupt, Japan and the entire world will be plunged in doom. In the last few years, two of the biggest Japanese brokerage companies have gone bankrupt.

In the 1990's among the entire imperialist world Japan's situation was the worst. The recession that began in 1992 is still continuing. Once or twice, the indicators of recovery, which appeared, proved illusive. Thus, Japan is in the grip of a never-ending recession. The growth that is hovering around zero is directly opposite to the growth rate of 10% in 1950's and 1960's. So far, all attempts by the Japanese government and capitalist class to come out of this recession have proved futile.

The decade old recession has pushed back the Japanese advances in many fields compared to other imperialists. At one time in automobile and electronic industry Japan was ahead of others. Today America has left Japan behind. Similarly, in the race for productivity also Japan has been left behind. Its giant multinational corporations are sliding down the world list. Though Japanese banks are still high in the banking list, but if this situation continues, they will be compelled to slide down.

The myth of Japanese management system has been destroyed as a result of this decade long recession. The Japanese system of life-long jobs faded in comparison to the American system of 'hire and fire'. Now Japanese companies are adopting the American system more and more. As a result, unemployment in Japan is on the increase and it has now reached to 5%. The classical relation of capital and labour has returned to Japan.

To increase productivity the Japanese capitalists are increasing the working hours of the workers, as well as the intensity of work. The burden of work not only on workers but also on executives has increased so much that a new illness 'Kharoshi' has been born. In this disease even a healthy person dies due to overwork.

The crisis in the economic system in Japan too has resulted in social crisis. The number of suicides is increasing so much that a book teaching ways to commit suicide has become a best seller.

Parallel to this the political system is, all along crisis ridden. The ruling liberal Democratic Party of the years of prosperity during reconstruction, is facing one crisis after another. Governments keep coming and going one after the other, Japan in this matter is equaling Italy.

Japan, that had very close relations between industry and government has become as big a center of corruption as it was once accepted as the center of industrial efficiency. Many of its ministers and Prime ministers have had to relinquish office on corruption charges.

Japanese monopoly capitalists, in order to survive against American and European capital, have started penetration of their capital in the Asia Pacific rim countries. Although these countries were traditionally the center of American capital, gradually Japanese capital expanded here and it has now wrested now dominating position. Here Americans are strongly entrenched economically and especially militarily, but Japanese are gradually replacing them economically.

The recession in Japan has benefited Japan in one way, Japan's trade balance stands positive against others. America is continuously facing trade deficit vis-à-vis Japan. Besides, today Japanese banks and monopoly capitalists have become the world's biggest loan givers. The Japanese have given a large part of America's loan.

The recession that is looming large in Japan has increased the trade war between Japan, European Union and U.S.A. The Japanese monopoly companies are trying many ways to establish their hold in the market of E.U. and U.S.A.

Although Japan is the world's 2nd largest economy it is still under the American military umbrella. American soldiers are present in Japan. But in spite of it, Japan's military strength is not any less. In spite of the restriction imposed on it after 2nd world war Japan spends a considerable amount on military power. In keeping with the imperialist character, in the matter of keeping their military might to the maximum, they are not lagging behind.

In totality, this is the picture of imperialist world. It is in these conditions that these imperialists are economically integrating Eastern Europe and third world countries in the name of 'globalisation' and creating novel traps to suck and loot them.



## **II**

# **The Present Situation of Former Socialist Countries of Eastern Europe and the Soviet Union**

Since the establishment of open capitalism in place of camouflaged capitalism in 1989, in Eastern Europe and in 1991 in Soviet Union, even after a decade the condition of these countries remains deplorable, and the golden future that was promised by slave intellectuals of the imperialists' establishments, is not to be seen far or near. The level of production has yet to reach the position of pre- 1989 days, unemployment remains unbearable, and the life of general masses is surrounded by all kinds of crisis. The medicines offered by capitalist witch doctors have been tried and tested and there is no medicine left in their bags by which there is any possibility of the patient being cured.

These countries had a glorious past, before almost 3½ decades of suffering undergone under state monopoly capitalism. Before this the Soviet Union for almost 40 years, under dictatorship of the proletariat had lived in advanced socialist system, Eastern Europe for almost a decade. But with coming into power of Khrushchev & company and especially after the 20th Congress of the Communist Party of Soviet Union these countries took a turn in the opposite direction and capitalist restoration took place under the leadership of modern revisionists.

The October Socialist Revolution of 1917 ushered in a new era in the world. And under the leadership of Lenin and Stalin the people of Soviet Union made untold sacrifices showed exemplary courage and thus built not only socialism but also repelled every attack by the imperialists and crushed their machinations. During the building of socialism, the Soviet masses worked wonders that made people all over the world wonder struck, whereas the imperialists were stunned. They were desperate and left no weapons unused against Soviet Union, such as fascist attack and cold war after World War - II. But it was all in vain. The Soviet Union continued its march on the road of Socialism. After the 2nd world war, an entire Socialist camp came into existence. Clearly, there was no end of worries and troubles for the imperialists.

But all was not well with Soviet Socialism. Soviet Union was the first country to build socialism. In this process, some mistakes were bound to happen, because in order to learn and be

alerted there was no experience to fall back upon. These could not be avoided. Here they had to learn from their own mistakes.

But there were some mistakes that could have been avoided. Mao Tse-Tung made a thorough analysis of these mistakes and their basis. On the basis of this critical analysis, Mao said that in spite of all his mistakes and weaknesses Stalin was a great Marxist Leninist who provided leadership to the Soviet Union in building socialism and protected it from enemies.

The basic mistake made by Stalin later became one of the main causes of capitalist restoration. After the removal of private ownership of the means of production in Soviet Union, and establishment of state or collective ownership, Stalin concluded that class struggle was now over in Soviet Union. He declared that henceforth the only danger to Soviet socialism was from outside capitalist powers because enemy class inside the country has been eliminated.

As Mao later analysed and showed that the actual situation was not like that. In any country even after the establishment of socialism, classes remain and class struggle goes on. The reason is that not only there remain in the super structure old habits, thinking, ideas, behaviour and values-traditions but also in the base itself, there are some things that give birth to capitalist ideas and elements. So long as commodity and currency in any form is present, the difference between physical and mental labour and between city and village remains, so long as the bourgeoisie right of 'labour according to capability and consumption according to labour' exists, till then these capitalist features in the base will give birth to capitalist ideas and people and there will remain the danger of capitalist restoration. And until then, to eliminate them and for the entire superstructure to develop towards communism will be needed a chain of revolutions like the Great Proletariat Cultural Revolution. Only after a long period and after many generations, after reaching the stage of over-production and end of all classes and their bases completely i.e. after the establishment of classless communist society is it possible to be free from this danger.

Stalin was not able to see this fact and perhaps this could not be seen without the reversal of an entire revolution. Whatever that may be, after Stalin's declaration that there was no more class struggle in Soviet Union, capitalist elements were born and were growing right under his nose. Among them those who tried to display their capitalist behavior even a little, were promptly crashed and eliminated by Stalin due to his proletarian instinct, but he was unable to reach the roots in the depths that gave birth to these elements and uproot them.

As a result, many such elements thus born held their breath, kept quiet till he was alive. Soon after his death, they came out of the cracks and crevices, captured positions in party and

governments and brought about capitalist restoration in Soviet Union. The dictatorship of the proletariat was transformed into a state of dictatorship of the bourgeoisie.

Except Albania, the countries of Eastern Europe adopted this Soviet road of capitalist restoration. After the 2nd world war people's democracies were established in these countries and socialist society was still very new. In these societies, the socialist system was still in the process of consolidation. Secondly, except Albania all these societies were very dependent on Soviet Union and the Soviet Party. Thus it was not surprising that when the revisionists captured the Soviet Communist Party and restored capitalism there, the parties in these countries followed suit. These parties also adopted Khrushchevist revisionism and restored capitalism in their countries. Albania too later followed that same road. Yugoslavia in 1948 itself had accepted the imperialist tutelage under Tito's leadership.

Today, after nearly 50 years, if we look back, one is surprised at the revolutions and the socialist reconstruction in these countries. There were innumerable obstacles against these revolutions. These revolutions were surrounded by many crocodiles. On the one side was the Russian Socialist revolution with its weak backward productive forces and on the other side all the imperialists and their stranglehold on the rest of the world. During civil war, the Russian revolution was alone and many monstrous powers stood against it. After that, facing the imperialist conspiracies, socialism was built there on their own strength when there was no dearth of internal enemies, cowards and deserters running away when faced with difficulties. On top of that, the Fascist aggression, and with 10% or 2 crores sacrifices these people defended socialism. Today if anyone wishes he could point at numerous mistakes in this socialist construction, can see many holes, but the enormous odds that had to be fought to succeed in achieving this goal would have to be ignored by such person. Today such person can be only a cynic and not a history builder.

Today these revolutions and socialist societies have faded into history, but their role in advancing history cannot be denied. Without these revolutions, the world would never have been where it is today.

These revolutions were the precursors of the storm of revolutions to come. They were born in one phase of history and faded away but they left behind them rich store of experiences and revolutionary principles (distilled from them), as a result of which building socialism will be much more easier and many mistakes committed earlier will be avoided. The first crop of socialism that they brought into existence was not very good and was destroyed later. But the land that they cleared has made the soil fertile for coming revolutions. We should view history from a historical viewpoint. From this point of view these revolutions and societies are surely an important

milestone, such a milestone that is a harbinger of a new age. Howsoever late this age may come or after as many failures it may come, still, the truth will prevail that the first steps towards this had been taken by these revolutions and societies. To blur this truth on the basis of their weakness/shortcomings can be done only by those people who have deserted proletarian interests or are openly traitors.

The system established in Soviet Union and these countries in Eastern Europe after the capitalist restoration was state monopoly capitalist system. The capitalist class did not come to power in these countries by openly overthrowing proletarian power. Instead the capitalist class born within the socialist society stealthily captured power and then used this power in the service of its interests. It was therefore essential that it keeps up the signboard of socialism and maintains many socialist institutions. It could only change their essence. Remove from them the socialist essence and fill it with capitalist essence. This was done with all the institutions of the state, society and even the communist party. The proletarian essence was removed from them and capitalist essence filled. On top, things remained the same but in essence they had all become capitalist. Even with regard to ownership of property, this is true.

It is not that no new things were done at all. Some new things were done. Private property was allowed to some extent or the other in all countries. In accordance with needs of growing capitalism, some new institutions were set up. For this, a lot was 'learnt' from western capitalism. Yet in form, much of it remained 'socialist' whereas the content went on becoming more and more becoming capitalist. This continuity of form kept the proletariat and masses in illusion of socialism for long. The new rulers preserved the old form for this very purpose.

In the meantime, with the spread of capitalism the capitalist class prospered and captured every seat of power in society as well as positions of influence. This capitalist class was born from the top most people in management and administration as well as from privileged sections of society. Among them were officials from different levels of the Party, officials of different government departments, managers of industry, agriculture and other commercial institutions, prominent scientists, technicians, intellectuals, artists and other privileged people. All these people held important positions in socialist society and after power changed hands they became the pillars of the capitalist society, the all in all and main driving force.

Circumstances forced the ruling capitalist class to wear the cloak of socialism. During the late 1960's after the transformation of Soviet Union into social imperialism, there were deep contradictions between the Soviet bloc and the Western European bloc. But once having adopted the capitalist road it became necessary for them to gradually break their alienation with the

western imperialist controlled capitalist world and become one with it. After establishing capitalism in their own countries, it was not possible to distance themselves from the center of world capitalism.

During this period the main contradiction of these societies, – the socialist form and capitalist content – went on becoming sharper. With the deepening of this crisis, every country to some extent or the other established its relations with the world capitalist system. Yugoslavia had earlier become a part of the world capitalist system. Romania, belonging to the Soviet block, continuously, increasingly did the same. It was so adept in taking loans and paying them back that for a long time it became favourite of these institutions. The later villain Checescu was then their hero, a hero who showed courage in defying Soviet block. Other countries including Soviet Union were connected to world capitalist system. Although the governments of these countries, keeping alive the top-dressing of socialism, kept this integration hidden from the eyes of people of their countries and the world, but this hypocrisy could not save them from the crisis of the world capitalist system. Every crisis of the world capitalist system, though in a limited way, was affecting them and their contradiction of form and content was made sharper.

As a result, societies in these countries went into deep crisis by the 1980's. With the accession to power of Gorbachov, the way he began his tune of détente, glasnost and perestroika, reflected the results of this crisis. By then these societies had become mired in stagnation. The masses and working class were choked by the Fascist environment. The exploitation and atrocities that they had to face in the name of socialism was making them very angry. On the other hand, it is also true that in order to defeat the Soviet camp and to get open it up for their capital, the western capitalist system was doing a lot of propaganda for open capitalism and democracy, and it was influencing some people.

But the most important fact was that the capitalist class, the 'nomenclature', that had developed as a result of three and half decade of camouflaged capitalism was now finding the top-dressing of socialism to be a hindrance to its further development. The socialist garb (form) was creating suffocation for the capitalist content. Therefore, this capitalist class wanted to throw away the socialist top-dressing and adopt open capitalism. Gorbachov and Yeltsin represented this class. The only difference between them was the pace of this process and the style.

Whatever happened in Eastern Europe and Soviet Union between 1989-91 was neither revolution nor counter-revolution. It was only an eruption, wherein the growing contradiction between the 'socialist' form and capitalist content was solved in one blow. Now the form also became open capitalism like the capitalist content. In these countries open capitalism was

established instead of camouflaged capitalism. (Today in China, Vietnam and Cuba this contradiction between 'socialist' form and capitalist content is being solved step-by-step by the communist parties themselves – form is being fashioned in keeping with the content. By doing this, they may save themselves from the eruption experienced by Soviet Union and Eastern Europe.)

After the eruption – solution of the contradiction between 'socialist' form and capitalist content, the class that came into power was the same old class that was already in power. Except some top leaders all the rest were the same. Yeltsin took power having removed Gorbachov and Checescu was removed by Iescu. Later on when enterprises were privatised, their Directors and Managers became their private owners. After the disintegration of Communist parties, whatever parties were formed all had leaders who were officials of earlier communist parties or other influential people. In sum, the continuity of the old capitalist class and its elements remained intact.

It is true that this eruption in Eastern Europe and Soviet Union was the result of the contradiction between the 'socialist' form and capitalist content. But it is also true that the western imperialists also played their role in it. Taking advantage of limited integration in world capitalist system, they left no stone unturned in sucking them and hitting them. Later when the contradiction sharpened, they played a direct role in the political crisis. It is no longer a secret that removal from power of Chicescu and his demise was made possible only by the direct connivance of the Gorbachov government and American government. This happened because he was proving to be relatively stable and the movement was unable to remove him from power. So the American imperialists and their partner Gorbachov had to take up this task.

These events of 1989-91, which later changed the entire power equations of the world, have one important feature. No one had foretold anything about these events. The imperialists included, no one had expressed any apprehension that these state monopoly capitalist regimes would fall like this. These regimes appeared to be sufficiently strong and durable even to those who were involved in trying to make them fall - the all-powerful and all knowing C.I.A. as well. Therefore, all estimates made earlier were proved to be wrong later.

In our unity document of 1987, the assessment made by us under 'Assessment of the International situation' also proved to be wrong. The assessment made about the balance of power between imperialism and the entire world based on this was also to some extent proved wrong although the basic orientation of the assessment was correct.

The cause of this mistake in assessment was that there was dearth of facts about the ground realities in these countries. The revisionist rulers of these countries and western imperialists, both, to serve their own interests, were hiding the truth about these countries from the outside world. It was in the interest of both to prove that these countries were 'socialist'. It was in the interest of both to hide their integration with the world capitalist system and the resulting crisis that followed.

In spite of this, it cannot be denied that in our assessment a mistake was made of not having seen that there was bound to be an eruption because of growing contradiction between the 'socialist' form and capitalist content at some point. Not only this, in our assessment positive aspects of the 'socialist' forms existing in these countries have been presented in an exaggerated way. It was not observed that this socialist form may have been eaten away from inside leaving only the outer form and capital might have corrupted them to an extremely high level.

After the resolution of the contradiction between form and content and the establishment of open capitalism, the programme of restructuring of the economic system that was carried out, did not solve the problems of these countries. It did not take them out of the crisis but on the contrary pushed them further in morass of crisis.

To establish open capitalism in the social and political spheres and in some areas of the economic system was easier, but to reorganize the basic part of the economic system is quite difficult. Even after a decade the process is still continuing.

The imperialists and their international financial institutions have tried all prescriptions from shock therapy to go slow, but still the economies in most of these countries are passing through the process of stabilisation. East Germany (which West Germany has absorbed) Hungary, Poland, Czech Republic are some of the countries which to some extent have reached stabilisation. The rest are in a fluid situation.

In the absence of big capitalists, converting the huge industrial and agricultural enterprises into private enterprises is posing a big problem. Besides, in one-way western monopoly capital and its associate mafia lumpen elements have become controllers of their economies. Instead of the smooth functioning of currency, share market and other institutions, criminal elements and looting and grabbing imperialist capital have taken the upper hand. In the present decadent state of imperialism a different scenario cannot be expected. During socialist reconstruction the elimination of open capitalism was a glorious endeavor whereas today establishment of open capitalism is a very despicable act. And it is despicable by the standards set by capitalism itself.

The establishment of open capitalism has meant a life of untold miseries for the masses. As a result of steep fall in production and restructuring of enterprises a large chunk of the working population has become unemployed. There is no provision for their security. Those who are employed are not getting salaries. Their real wages have gone down and there is a steep decline in the standard of living. Children, women and the elderly are the worst sufferers. A generation of futureless youth is hooked up in the world of crime and drugs. There is a flood of prostitution and murders. Instead of the heaven of western capitalism, the working class and toiling masses are getting its hell. Their 'nomenclature' and imperialists badly let them down.

Giving expression to the state of the economy the political scenario of these countries remains a sample of instability and manipulation; suffering masses now elect one, sometimes the other. They sometimes kick out one, sometimes the other. Because of increasing difficulties of the masses, the early flag bearers of open capitalism are sidelined in all these countries and those who adorn their names with socialist, social democratic, communist etc. have taken their places. They also are supporters of open capitalism. They just want to apply some sugar coating so that the masses can gulp bitter pills. Their coming to power again is an indicator of the masses aspiration to return to the old secured life. This process has been best expressed by Poland where the hero of open capitalism. Lec Walsea lost in the second election and his party does not have a single seat in parliament today.

As a result of economic and political crisis, reactionary tendencies have over whelmed society. Decadent imperialist culture has swiftly taken strong roots in these countries. Not only general religiosity but also religious fundamentalism has also increased very fast. Unemployed, women have returned home, and along with economic penury they have to increasingly face atrocities by men, they are being sold for prostitution in imperialist countries. Old are being left to die. Even birth rate has registered a steep decline. In sum, these countries are in the grip of all round crisis.

Another expression of these crises is the recurrence of the problem of nationalism in many countries. Especially in the case of Soviet Union and Yugoslavia, this problem assumed serious dimensions and both of these federations disintegrated. Not only that, the matter did not stop even after the federating units became independent — the other nationalities within them started a movement for separation. Socialism had found a correct solution to the problem of nationalities — federation of nations and autonomy of different levels. But after the end of socialism and after restoration of capitalism the same solution for the problems of nationalities became the tool for exploitation of smaller and weaker nationalities by stronger nationalities. Within the parameter of



state capitalism this federation somehow kept on dragging but after the advent of open capitalism the federation disintegrated. No doubt, in this disintegration and the continued problems of nationalities, the imperialists played their role; nevertheless the basic problem still remained internal. This splintering of the federations made it easy for the imperialist countries to bring the separated nations and countries under their own influence and control.

The domination of western imperialists on these countries has increased after the establishment of open capitalism. Not only have these countries been fully amalgamated into the world capitalist system, but the western imperialist capital has strengthened its stranglehold on the economies of these countries as well. The western imperialists were, for a long time, trying for this. Later part of the cold war was the phase when the western imperialists were trying to achieve the above objective. During this phase the western imperialists not only wanted to end the competition from Soviet social imperialism but they set their eyes on the market and investment of capital in the entire soviet camp. Propaganda campaign against the system of these countries and other political-military moves to bring down this camp were all directed towards achieving this aim. The last such attempt was the open challenge given by American imperialists to Soviet imperialists in the 1980's in the arms race. American imperialists, themselves, just narrowly escaped from being dashed. But they were able to pull down the Soviet camp.

The period after this was one of collecting the fruits by the western imperialists. West Germany got the biggest gift in the form of East Germany. Not satisfied after gulping it, it began to eye others. In the division of Yugoslavia, Germany had a direct role. In a planned way, the western imperialists engineered the balkanization of these countries so that small countries and nations could be brought easily under their domination.

The imperialists stacked the markets of these countries with their own goods. They bought the enterprises that were being sold by the governments of these countries. More and more attempts were made to milk as much raw materials from these countries as possible. Such a huge and rich geographical area as Eurasia was now available for their grabbing and loot. The mission of 'human rights' and 'democracy' of the imperialists in these countries was now complete.

Apart from capture of the market by imperialist capital as well as loot of raw material, the process of their absorption by the western capitalist world is limited to a few countries. Imperialist capital will establish its hold over the economies of these countries but it will not be so, that they enjoy the same standard of living and political equality that exists in countries of Western Europe.

In their entire geo-political equations, Western Europe has planned to incorporate (absorb) some of these countries but their number is small. This is limited to the Baltic States, Hungary,

Czech Republic and Slovakia. Recently NATO expansion up to this point has been contemplated. Though many of the countries of Eastern Europe also want to join the European Union, but they are not being considered as capable for this. The imperialist capital, even otherwise, has access to their economies. So they do not like to include these backward countries among themselves and unnecessarily burden themselves.

The countries of Eastern Europe and Soviet Union can be generally divided into four categories:

- A. Baltic and countries of Central Europe
- B. Backward East European countries
- C. Russia
- D. Asian countries

Poland, Hungary and Czech Republic are in a category that is comparatively quite developed. Therefore, they are nearest to being absorbed by Western Europe. Sooner or later European Union will expand to these countries.

Ravaged by war and divided Yugoslavia, backward eastern European countries including Ukraine forms the 2nd category. They are not only less developed but are faced with Nationality and other problems. Economic restructuring started in 1990's has yet to reach stability in these countries.

Russia is the most important country within this group. It is not only the biggest among them (both population and area wise) but it is still a military super power. Its military power is even now second in the world after USA, and way ahead of others. Although it is still going through economic crisis and its production has not yet reached the level that was before 1990's, still its overall economic strength cannot be underestimated. By integrating itself with the world capitalist system it cannot protect itself from the rules of its mechanism and therefore it is forced to ask for aid from the I.M.F. and western imperialists. But as soon as its economy is stabilised it will assume its role in the world politics and in the imperialist pillage (loot). Rather it has started doing so even now. Shanghai Cooperation Council is an example. In spite of its limited role now in overall world political equations, it will in near future, in accordance with its economic and military power, be an active partner in the imperialist loot and exact its share out of it.

The weakest units of this group are Kazakhstan, Uzbekistan etc. Though there are large differences amongst them but comparative backwardness is their common feature. In spite of their backwardness they are not like the general Asian and third world countries. Nor will they become like those countries in future.

In spite of the growing influence of imperialist capital on their economies their fate is not like the fate of the third world. But it is also true that because of their oil fields, in the days to come, the pressure of imperialist countries will increase very much.

In spite of all their differences, the countries of Eastern Europe and Soviet Union are industrialized countries. Although after being integrated in the world capitalist system, they are under the overall domination of imperialist capital but their relation with imperialism is not the same as that of third world countries. Russia is itself an imperialist country. Imperialist capital is exploiting these countries without any restraint, yet their subjugation will not be the same as that of third world countries. The geo-political position of these countries has an important role in this. These countries are in a kind of middle position between the developed capitalist countries and third world countries.

These are mostly industrialized countries. Before the revolutions they were all backward countries, but socialist construction had changed their situation. Although during the domination of state capitalism and Soviet social imperialism there were many distortions in their industrial development when Soviet bureaucrat capitalists tied them to a distorted division of labour, they are industrialised countries. A greater part of their population is proletariat. In spite of the decay caused by hidden and open capitalism, these people are very cultured and educated. In this sense, the remnants of the achievements of socialism are still present. Also, the memories of revolution and socialism have not completely faded away from their mental horizon.

Although like the rest of the countries of the world, here also, there does not exist any well-organised revolutionary communist movement, but the resistance by workers and other labouring masses is going on without a break. People are, specially, not willing to accept the dire consequences of open capitalism passively. There is a string of demonstrations, strikes and processions. On the occasion of anniversary of October revolution and on May Day in many cities, the sky is filled with red flags. The rise of all kinds of 'socialist' and 'communist' parties and their becoming strong is also an expression of the aspirations and opposition of the working class and masses.

Sooner or later the proletarians of these countries will organize their revolutionary communist parties. This proletariat will derive inspiration from the achievements and learn from earlier mistakes and will stand up against their new ruling class, bring them down and establish their own dictatorship. Remembering the lessons of the Great Proletarian Cultural Revolution they will build socialist societies.

The socialist revolution in these countries will be against their domestic ruling capitalist class. This revolution will also smash the imperialist domination in these countries.

There is no nation building work in these countries. So far as the problem of nationalities is concerned this will be solved only by the future socialist revolution. Till then it will remain in this form or that, because now it is a part of the general crisis of capitalism.

### **III**

## **Present Position of Third World Countries**

Here the word third world is being used only to indicate the collective of backward countries, not in any other sense. In no way does it imply 'Three World Theory'.

In this category are included all those countries which were at one time colony, semi-colony or neo-colony. Today these countries can be broadly divided into seven categories:

- (a) China, Vietnam, Cuba, North Korea, Laos
- (b) Brazil, Mexico, Argentina, India, Egypt, Iran, South Africa etc.
- (c) Sri Lanka, Bangladesh etc. who are independent but weak.
- (d) Countries of South-east Asia
- (e) Arab countries of the Gulf region
- (f) Sub-Sahara countries or countries of Black Africa
- (g) Central America, Caribbean Island group, Philippines etc.

The first category is of those countries that were one-time colonies or semi-colonies and where under the leadership of Communist Parties, national democratic revolutions took place and later on socialism was established. The earlier character of the Cuban revolution was a little different but soon it also joined the socialist ranks. In all these countries, all relation with imperialism was cut off in revolutionary ways and feudal relations were also smashed. Both the tasks of bourgeoisie democratic revolutions – freedom from imperialism and ending feudalism was most thoroughly achieved only by these countries in the entire third world. Capitalist restoration

took place in these countries at different times and today in all these countries state monopoly capitalism exists. Except North Korea, all these countries after capitalist restoration have more and more integrated themselves with the world capitalist system, though the extent of integration and speed have been different. North Korea is also a part of the world capitalist system. Only it is in a state of relative autarky. In China, Vietnam and Cuba the ruling class, by itself, is gradually solving the contradiction between 'socialist' form and capitalist content by embracing more and more open capitalism. But it cannot be said that they are entirely free from the danger of a sudden East European type explosion.

The second category is of those big countries that are comparatively industrialized and because of their size (population, area and economy, all three) and their geo-political position, occupy an important place in the third world. In one way if we see, they have been leaders of the third world and the position of the entire third world, specially its relation with imperialism has been influenced and determined by them. It was these countries that at one time raised a hue and cry about the 'new international economic order'. Because of their front with Soviet social imperialism in the 1970's and 80's, American imperialists had to face a lot of difficulties.

The third category consists of weak countries like Sri Lanka and Bangladesh who are independent but cannot face imperialism on their own. To protect their interests they join hands with the bigger third world countries. These big third world countries in their turn behave like a regional power with them and maintain relations of domination with them.

Fourth category countries like South Korea, Singapore and Thailand have kept up a special relationship with American imperialism and there by have developed a special kind of capitalism in their countries. They were in a way America's neo-colonies. Before the crisis of 1997-98, they were being called 'Asian Tigers' and by giving the title 'miracle economies', the imperialists projected them as models. They were export-oriented; state directed and mainly closed economies. After financial liberalisation in the 90's international speculative capital ruined them in 1997-98. Since then they are still in the process of recovering from the crisis. The position of Malaysia and Indonesia is though quite different, but today their overall motion keeps them in this category especially because of the commonality with others in relation to Japanese capital.

Fifth category consists of those countries of the gulf that is mainly oil exporting countries and where there is despotism of the medieval sheikhs. Though due to oil reserves, these countries are very rich but industrial and other production is underdeveloped. In these countries, oil is milked by imperialist oil companies. The rulers put the immense riches obtained by oil in imperialist banks. It was because of their capital deposited in these banks, that during the Gulf

war, the entire imperialist financial system was trembling. It was because of this reason that a coalition was hastily formed under American leadership including European and other imperialist countries. American imperialism is firmly established in this area. And in this oil rich place, it is trying all means to keep up its domination.

In sixth category are those countries that were ruined by the cold war rivalry between American imperialism and Soviet social imperialism and later by I.M.F. and World Bank policies. Among these countries are Ethiopia, Angola, Somalia, Congo and Rwanda etc. In all these countries, there was armed struggle during national liberation and they gained freedom as a result. After independence whatever projects for national reconstruction were undertaken, were smashed by the superpower rivalry. The two superpowers fought their proxy wars in these countries and in this process ruined these countries. It had even become impossible to establish normal governing system in some countries. Some of the smaller countries were ruined by only one or a few imperialist corporations. Still in the grip of imperialist finance capital, these countries are living examples of imperialist exploitation, oppression and destruction. Far removed from these countries geographically Afghanistan, Kampuchea, Yemen are in this category of countries.

The last category consists of those countries that are still neo-colonies – a remnant of the old colonial system. In this category are included countries of Central America-Columbia, Guatemala, El Salvador and Peru etc. Caribbean countries and Philippines etc. They are remnants of the pre-1945 world, which remained the old way even after the storm of freedom struggles after 1945. In many of these national armed freedom struggles are going on today. They are facing immense difficulties because of the aggressiveness of imperialism today, but sooner or later they will gain independence. At the center of the storm in the Middle East, Palestine is in this category.

These categories represent different strands in the third world. Surely there are countries that do not come under any of these categories or have qualities of more than one category. This only shows the diversity of the third world. But it is necessary to categorise them to understand their complexities.

The above categories indicate that a large part of the third world is made up of those countries that are in the main politically independent. But they are also under the overall dominance of imperialist capital. Being in the sphere of world capitalist system they cannot go out of the net of imperialist capital. Yet their political independence remains basically intact. This applies to the first three categories. The next two categories are special ones. Their economies and their relation with imperialism cannot easily be fitted in the older mould of colony, semi-

colony or neo-colony. They are born out of the balance of power and correlation of forces of the entire imperialist world i.e. South Korea. In spite of being America's neo-colony in a way, it is a very developed country and its multinational companies are reaching about throughout the world. The last two categories are problems left from the past. The first is the destructive result of inter-imperialist rivalry and the second, history's leftover tasks.

The journey of the third world so far is a journey of history after 1945, complicated but full of struggles.

Although the task of the national war of liberation of the third world was in its essence bourgeoisie democratic, yet after the October Socialist revolution instead of remaining a part of world capitalist revolution this became an integral part of world proletariat socialist revolution. The world proletarian socialist revolution was breaking imperialism in its own center and revolution for national liberation was breaking its backyard.

Being an integral part of the world proletarian socialist revolution the future of national liberation revolution was to a great extent determined by its course. It went forward when the socialist revolution moved forward and backwards when the later moved backwards. Though national liberation war had its own momentum also, still the momentum of the socialist revolutions influenced it to a great extent. Its biggest proof is found today. Today the remaining revolutions of national liberation have got stuck at one point because the socialist revolutions that helped to give it momentum have been defeated for the present. The extremely sorry state of the South African liberation struggle also goes to prove this point. One of the most glorious liberation wars of Africa, the South African liberation struggle had this sorry climax because of the present defeat of socialism. After the defeat of socialism, only inter-imperialist competition could not provide much momentum to this liberation struggle. And after 1990, this competition also was substituted by American domination. So the liberation struggle of South Africa was not left with any glowing future. The fate of Palestinian liberation struggle was even worse. Ignoring this result today, the Palestinian masses have once again come forward for the struggle but for the present, the challenges are enormous.

The history of the national war of liberation after 1945 is a history of the downfall of old colonial system, establishment for some time of neo-colonial system and finally its crumbling down. There were many ups and downs in this history, there were many forward and backward movements but in totality, the entire motion was towards the demise of colonial and neo-colonial systems and the consolidation of political independence of the third world.

The history of national liberation struggles in every country is not the same. Different countries took different roads and the future course taken by these countries was determined a lot by the line taken for the struggle.

In some countries, the national democratic revolution took place under the leadership of the Communist Parties, and socialism was established later. The tasks of national liberation in these countries were fulfilled most completely.

In some other countries, nationalists or petit bourgeoisie took the lead in armed struggle for liberation. Here also there was complete break with the imperialism but later the road to nation building was taken within the overall framework of world capitalism and as a result, nation building had to face immense problems.

Besides, there was a category of countries whose capitalist class adopted a dual policy of struggle and compromise with the imperialists and taking advantage of the struggle of the masses achieved independence as a result of a compromise with Imperialism.

Along with this, there were countries like South Korea who chose the path of development under the domination of imperialism.

In spite of the diversity in the struggle for national liberation in different countries, their progress was somewhat like this that in the beginning their independence was formal and weak but as the numbers of independent countries increased and the colonial system began breaking up their formal independence turned into real independence. Quantity changed into quality.

There was a time in the 1950's and 60's when the American imperialists taking advantage of the weakness of the newly independent countries, succeeded in entrapping some of them in their neo-colonial noose. The imperialists, and specially the American imperialists, did not want to free the colonies from their clutches easily. For this, they kept laying traps of different kinds – economic-political-military. But confronted by the forward march of history, they could not maintain their position for long. The forward march of history broke loose the neo-colonial network. By the end of the 1970's both the colonial and neo-colonial systems were smashed.

In this journey of the third world countries for political freedom, the socialist block and inter-imperialist contradictions had an important role. First, the presence of the socialist camp and later, of Chinese and Albanian socialism, gave a great boost and momentum to their war of liberation. Along with this, these countries took advantage of the internal contradictions of the imperialist countries, especially; they took full advantage of the rivalry between the two super powers during the cold war. This helped them to avoid the subjugation by one imperialist power or camp.



The third world countries, after independence, tried to consolidate their freedom and fulfill the task of nation building and for this and to bargain with the imperialists, set up their own collective institutions. They organised the non-aligned movement, established G-77, G-24 and G-15, made groups like OPEC and in the 1970's and 80's used the forum of the United Nations fully. Alone they were weak in comparison to the imperialists, but their collective bargaining power prevented their position from becoming helpless and strengthened them.

Most of the third world countries after attaining independence chose a development model or path of nation building, which was the path of development within the framework of world capitalist system. Only the socialist countries completely broke away from the imperialism. The other countries attained political freedom and strengthened it but remained within the network of the world capitalist system. Having chosen their model of development within the world capitalist system, they could not do otherwise.

During this development process different countries had different positions within the network of imperialism. Some among these countries chose limited autarchy, some comparatively more autarchy. There were some who aligned themselves completely with imperialism and then went forward towards development. The capitalist of whom country chose which road, was determined by many factors. In this, that country's history of national liberation struggle and the character of the capitalist class played an important role. But along with this other factors also, like that country's history, its regional or population dimensions and natural resources, its geo-political position etc. played their part. In a way America's neo-colony South Korea became a comparatively developed capitalist country whereas Columbia remained backward, this was because many such factors played their part.

But in totality all these countries, except socialist countries, were a part of world capitalist system. (After capitalist restoration, in the erstwhile socialist countries, imperialist capital began its penetration there also despite fierce superpower rivalry.) Remaining within the world capitalist system they tried their best to get better conditions and used them for their economic development and strengthening of political freedom. In this, they used their collective strength, the contradiction between socialist camp and imperialist camp, and later bitter rivalry between the two imperialist camps.

But in totality, being a part of the world capitalist system controlled by imperialists, they could not be free from the crisis born out of it. Besides the serious crisis born out of their own weakness, they were badly affected by the crisis of the imperialist economic system, especially when in order to deal with its crisis, imperialism gripped their neck. One of its important forms

was to make the terms of trade go against the third world and to push the price of their exports (mostly raw material and semi manufactured goods) down to a very low rate. Loan and grants were its other weapons.

Because of all these, the countries that had comparatively radically broken from imperialism and in which the anti-feudal tasks were either non-existent or were fulfilled in a better way, could not also develop fast. They were not only paralysed by the imperialist exploitation and oppression of the past, but the present imperialist relations were exerting a lot of pressure on them. The strongholds of socialism having gone, they were deprived of that supporter with whose help they could be free from this historical paralysis and present impediments.

Thus there were present in these countries both the motions. On one side were some forces, which were helping in their development. On the other side, some of these forces were obstructing their way. The result was to be decided by their mutual pulls and pressures.

The outcome was visible after mid 70's and especially in 80's. On the one hand they developed. Through policies like transfer of technology, import substitution, tariff barrier and public sector etc. they developed their industries to this or that level. They attained freedom from problems like food crisis. Capitalist production relations developed to a certain extent. But on the other hand, the pace of their development was very slow. Development was unbalanced and distorted. Instead of all round capitalist development it was very uneven. Some weak and backward countries remained dependent on a few or only one industry or on the export of merely raw material or agricultural produce. In this condition when their crisis sharpened and global circumstances went against them they found themselves too weak to bear the pressure.

As these countries had developed within the framework of world capitalism, when their internal crisis deepened there was no choice for them but to find a solution within the framework of global capitalist system. Bound in the overall network of imperialism, they could not go outside it.

Their road of capitalist development was determining their own internal crisis. Because of their paralysis due to past and because of the limits imposed by world capitalism, the limits of their capitalist development were great. With the establishment of capitalist production relations, this development was bound to be choked. Rather these capitalist relations themselves were to develop in a distorted way.

This was what happened. Developing hiccups, as soon as this capitalist development reached a certain level, it began to become crisis ridden. One after the other these countries were

hit by structural crisis. This was expressed in the form of monetary crisis, balance of payment crisis, trade deficit etc.

As these countries became crisis ridden one after the other, they started going to the imperialists for immediate relief. They could not go anywhere else. To profit from this crisis and to strengthen the grip of their monopoly capital on these economies the imperialist used their international financial institutions, specially the I.M.F. and World Bank. With this, the imperialist banks swollen with capital found new places for themselves.

Along with the process of these countries going into crisis and taking refuge with the imperialists, another and directly opposite process was also going on. During this time, the rivalry between the two super powers was at its height. Rather, at this time, Soviet Social imperialism was aggressive. To exert increasing pressure on the American imperialist camp it adopted a policy of taking the third world countries along with it. This rivalry provided third world countries an opportunity for a better bargaining.

As these countries developed on capitalist lines and as their self-reliance increased, but along with it as the limits of their capitalist development became clear and the crisis deepened, these countries started demanding changes in the whole global system and a greater share in it for themselves. Their demand for, "New International Economic Order" began in this phase. Its simple meaning was to increase the share of capitalists of the third world in the surplus appropriation at world level. Since this demand would benefit soviet camp and also some of the weak western capitalist countries, they supported this demand directly as well as indirectly. This demand that was raised in mid 70's continued till the decline of Soviet social imperialism and its downfall. After this, its place was taken by 'new world order' sponsored by American imperialism that began with the gulf crisis.

From the mid 70's to end of 80's these mutually contradictory motions went on side by side. On the one hand the countries of the third world using their collective strength and sharp contradictions between the two superpowers stood in front of western imperialists and demanded increase in their share in the world surplus and backed it by a demand for 'New International Economic Order' and on the other side to surmount their own individual crisis took shelter with the western imperialists and accepted their conditional ties, though unwillingly. As a result of these conditional ties, their integration was increasing in the world capitalist system controlled by imperialists, and on the other hand they were demanding from this system better conditions and a larger share of surplus value.

It will be a mistake to think that their increasing integration in the world capitalist system was against their will. All these countries or to be correct, the capitalist class (in control of power) chose the path of development within the framework of the world capitalist system on its own free will. Within this they opted for limited autarchy from imperialism. This was not to the liking of imperialists. But the overall balance of power at that point of time made it imperative for them to accept it. Imperialist capital kept its net over their economies but within some limits. As the capitalist development progressed in these countries, because of this development (and non development) the crisis arose and deepened. Under these circumstances the capitalist class in these countries had to compulsorily integrate with the world capitalist class. To overcome the crisis inside the country, the road they opted for (liberalisation etc), would automatically drive them towards greater integration with world capitalism. By liberalising the capitalist relations within the country they could not remain untouched from the liberalisation in capitalist relations outside their country. Even otherwise, capital does not accept national boundaries (except for those conditions when for its own expansion or development it needs boundaries). After capitalist development in these countries, it could not be kept imprisoned within national boundaries. It had to mingle with global capital and become its part. Developing capitalism within their country capitalists could not keep it aloof from global capitalism. Under these circumstances their limited autarchy from the world capitalist system had to break up. They were bound to integrate with the world capitalist system. The timing or road towards integration could differ but it would happen sooner or later. The internal crisis in these countries only expedited the process of integration. The International Monetary Fund and World Bank worked merely as handmaids in this process of integration.

Even on being integrated with the world capitalist system the capitalists of the third world were trying better terms for themselves in this system, and in the total division of surplus value a much larger share. Though in this bargaining their internal crisis was a hindrance and made their position weak but their collective bargaining power and the contradiction between the super powers made their position stronger. The relation of western imperialists with the third world was in a state of delicate balance and one important lever to maintain this balance was the contradiction between Soviet social imperialist camp and western imperialists.

At the end of 1980's this lever broke down. The contradiction between the two superpowers was resolved in favour of American imperialists. American imperialists, and in their leadership western imperialists, became dominant.

With the western imperialists getting the upper hand, for the countries of the third world, there was a tightening of the terms of integration in the world capitalist system under control of the imperialists. The demand for 'new international economic order' vanished. Instead the 'new world order' of the American imperialists took its place. For those countries of the third world that had earlier integrated in the imperialist world system, the situation becomes difficult. For those countries, which were integrating the terms of integration, went against their interests. For those who were not willing to integrate, it became difficult to maintain their autarky.

Imperialist capital began to encircle them from all sides and make assaults on them. With the terms of integration becoming stiff in the division of surplus value at world level the share of the third world instead of increasing began to decrease. These stiff terms and conditions of integration were codified and institutionalised in the World Trade Organisation.

The above-mentioned lever having gone, the condition of countries of the third world became difficult and as a result their institutions of collective bargaining lost all power and influence. The non-align movement was squarely based on the contradiction between the two imperialist camps. No sooner did the contradiction cease, it also became irrelevant. In the rest of the institutions in which the third world countries had made factions for collective bargaining, there also western imperialists extended their influence overwhelmingly.

From mid 70's to end of 80's the integration of third world countries in the world capitalism and bargaining with the imperialists both went on together. If bargaining was on since a long time and had increased in the interim, then the process of integration had just started; the process was accelerating partly because of the internal motion of capital in these countries and partly because of the deepening of internal crisis. The fall of Soviet Social imperialism increased the processes of integration in one go and made its conditions tough. This process of integration had started earlier and it was bound to happen. Now it accelerated and its terms turned very much against the third world.

It is necessary to clarify at this point that when the integration of the third world in the world capitalist system is being described, it does not mean that the Soviet social imperialist camp was not a part of the world capitalist system. It was also part of the world capitalist system. In fact this total capitalist world was divided in three parts. Western imperialist world, Soviet imperialist camp; and the countries of the third world. Most of the countries of the third world were within the overall western imperialist fold. The Soviet camp was outside this fold though the boundary was getting perforated gradually. Remaining within the overall fold of western imperialism, the third world countries in attempts to bargain against them were making a front

with Soviet imperialist camp or were talking of keeping equal-distance between the two, which meant, for western imperialists, that they were getting closer to the Soviet camp. Similarly the East European countries under Soviet influence were colluding with Western imperialists in trying to bargain with the Soviet imperialists. In 1989-91 with the demise of the Soviet camp this division of the whole capitalist world was eliminated and the whole world came within the fold of Western imperialism. East Europe and Russia etc. began to integrate into it and the integration of third world accelerated.

This integration does not mean that the capitalist rulers of third world would become the slaves or comprador of imperialists, that these countries would again become colonies, semi-colonies, or neo-colonies. They will remain politically independent though there will be immense pressure on their political freedom. They will not reach the position of colony or semi-colony when the imperialists were directly politically ruling or indirectly controlling them politically. That phase of imperialism is over. It cannot return. History cannot return there. This is a new phase of imperialism—the phase of economic neo-colonialism. In this phase imperialism exploits the third world through its finance capital and its overall network. Imperialism establishes its hegemony over the economies of the world; it binds them tightly with its monopoly capital. It cannot destroy their political independence. Political independence and economic dependence – this is the characteristic feature of economic neo-colonialism.

It is not that during this phase of economic neo-colonialism imperialism will not try to impose political and military domination. It will try this, but chances of its success are now very slim. Military and political weapons will now be aids in economic domination and exploitation, and not the main form. This is not imperialism's desire but its compulsion. It still wishes to establish colonies in the entire world. But that is not possible now. All the socialist and national liberation revolutions have not gone in vain. They have brought the world up to this point.

It is essential to emphasise once again that to keep up its economic exploitation and oppression and to also increase it, imperialism will not hesitate to take any political and military action. They have not only stocked their military hardware but are continuously upgrading and improving them. These weapons are not for prayer. These are meant to protect their system of exploitation and oppression. Whoever tries to disrupt this system, imperialism will use its complete striking power to discipline that country. Saddam Hussein and Taliban know it from their experience.

Even then the main form of imperialist exploitation in today's world will be economic. It will mainly be through the entire network of imperialist monopoly capital. Political and military

weapons will play the role of aides. Exploitation will take place on the basis of the vast difference between the productive forces of imperialist countries and the productive forces of the third world countries. It will happen due to the extreme inequality of the power of capital between the two.

In this world of economic neo-colonialism the ruling capitalist class of the third world opted for integration with the imperialist world system to an extent out of their own sweet will and to a degree due to compulsions. By this integration they have become junior partners of imperialism in world appropriation of surplus value. They are not comprador of imperialists but their junior partner. The surplus value that is being produced in the world is being divided in accordance with their status and global balance of power. Though they are the junior partners of imperialists on a global scale but in their own countries their position is that of senior partner.

It is not that in the appropriation of world surplus value the capitalists of the third world are today content with their share. In integration with the imperialists the hard terms that they have to agree to today, there is no reason that they accept it. They would not like to voluntarily reduce their share. Today if they are accepting the adverse terms it is only because circumstances are against them. In spite of it they continue to bargain with the imperialists. They have continued to struggle on every platform to get something better. Even in the W.T.O. in spite of a very adverse situation they are trying to grab some concessions from the imperialists.

Therefore whenever conditions will be in their favour they will again try to stand up against the imperialists. If in future inter imperialist contradictions sharpen, then taking advantage of it they will strengthen their bargaining position. This will happen because they are not compradors of imperialists.

The junior partners of the imperialists have accepted the domination of imperialist capital. They have now become social prop of imperialism in third world countries. Earlier in the third world the social prop of imperialism was the feudal class or tribal elites. Now, as a result of capitalist development the situation has changed. After the tie up of native capital with imperialist capital the capitalists of these countries have themselves become the standard-bearers of imperialism, its social prop. Any struggle against imperialism cannot take place without first fighting against them. Only after targeting them can the imperialists be targeted.

The task of national liberation has been mainly completed in these countries of the third world. Those that remain cannot be completed within the framework of capitalism. Two tasks were to be completed in these countries — political independence from imperialism and capitalist development. Both were bourgeois democratic tasks. To complete this it was necessary to solve

the question of peasants and agriculture inside the country i.e. they had to be freed from pre capitalist relations and capitalist relations had to be developed there.

Along with capitalist development in these countries these tasks have been mainly completed. Because this capitalist development is crisis ridden, it is very difficult to progress in this direction. True, as long as there is capitalism there will be some progress. But there is no possibility of any qualitative jump or of development like in western capitalist countries.

After capitalist development in these countries the entire capitalist class has become reactionary. Its role in taking history forward is over. It no longer is a progressive class. The capitalist class in imperialist countries had already become reactionary. Now the capitalist class of third world has also entered in this category. In these countries the big monopolist capitalists take the leadership of the entire capitalist class. But the medium and small capitalists are woven and embedded completely with them. Their mutual contradiction is a friendly contradiction – contradiction between thieves. None of these component parts will stand with the masses in opposing imperialism.

The contradiction between imperialism and all these capitalist classes is that between senior and junior partners. Because of this contradiction, small and medium capitalists can grudge a little or more, but they cannot stand up against the imperialists. Similarly all of them together can adopt a posture of opposing imperialism, but this will be either to pacify the anti-imperialist stance of the masses or to bargain with the imperialists. It will not be actual opposition. Yes, in case their political freedom is in danger they will rise against imperialism. Then they will become a Saddam Hussein or a colonel Gaddafi.

After capitalist development in these countries and their becoming crisis ridden, socialist revolution has come on the agenda in these countries.

This socialist revolution will free these countries from imperialist exploitation and oppression. Imperialism is working in these countries through native capital. Therefore it can be attacked only by attacking native capital. Only such an attack can destroy the bloody claws of imperialist capital in these countries.

During the whole period of national liberation movement, the stream of national liberation had been an integral part of world socialist revolution. But now after completion of one period of national liberation and completion of national tasks to an extent, this stream has no independent existence left. Now the stream of national liberation, instead of being an integral part of world socialist revolution, has merged in it. The left over tasks of national liberation will now be completed by the socialist revolutions of these countries.



There are still some countries of third world countries that are victims of neo-colonial slavery. The national liberation struggle is going on there. But these are left over tasks of history and does not much influence today's overall world balance of power. They do not determine the general motion of today's world. Flames of national liberation revolution are alighted in these countries and sooner or later the tasks of national liberation will be completed. History will leave behind all it's past and move forward. The whole world will enter the phase of socialist revolution.

## IV

### **Imperialism and The Overall Position of the Economic Neo-Colonial World**

There is no doubt that the integration of the former socialist countries of Eastern Europe and Soviet Union and the countries of the third world in the world capitalist system directed by the western imperialists in the decades of the 1980's and 90's provided new opportunities for unrestricted accumulation and operation for imperialist capital. The places where imperialism faced restrictions of some kind or the other have been continuously reduced. This is a matter of joy for imperialist capital.

It is for this reason that imperialists and their servants, by giving this whole process the name of "globalisation", are trying to glorify it. They have picked this 'globalisation' and raised it to the level of ideology. They have made it a value or a destiny from which one can try to escape at a price of one's own peril.

The truth is that the process of globalisation exists and has been working since the birth of capitalism. Rather a special type of globalisation played a great role during its birth. This globalisation was the commercial globalisation during the age of commercial capitalism. Columbus discovered the new world for this commerce. It is this globalization, which joined together all the continents including Africa, Australia.

With the development of capitalism it became more global. To find market for its industrial goods and to find sources of raw material capitalists began penetrating every nook and corner of

the world. All societies, including forest dwelling tribal and feudal, came within the reach of its expansion. If the black tribals of Africa could not buy their products so what, they could be made slaves and sold to American cotton producing capitalists where they would help to increase the capital of these capitalists.

When after this capitalism entered its next age i.e. the age of imperialism then this process of globalisation reached new heights. It can be said in other words that on reaching a very high-level of capitalist globalisation capitalism was transformed into imperialism. It was such a high-level of globalisation that monopoly houses started dividing markets on a global scale and capitalist countries divided rest of the world in the form of colonies between themselves. The process of globalisation since then is moving forward at this high level.

That is to say that 'globalisation' is not a new phenomenon. Those who call this thing new, directly or indirectly, want to do it only to befog its class essence, its monopoly-imperialist character and its actual historical process and its implications. When the imperialists publicise it as an ideology, then surely, this is their objective.

What is new in this process of 'globalisation' is that imperialist capital has for the present been freed in its home from the restrictions of the welfare state and in the rest of the world, in the third world and former socialist countries, whatever limited restrictions were existing have been eliminated. So this is not so much a matter of 'globalisation' of capital as it is of the unrestricted movement of imperialist capital, unrestricted license for open loot and pillage of the toiling masses and working class of the world. Imperialist capital was global earlier also. Yes, previously there were restrictions on it inside and outside. Today these restrictions have been removed to a great extent. This is the secret of imperialist celebration.

It must be made clear here that when the restrictions on imperialist capital or its removal is talked of; it is only in a relative sense. The earlier restrictions and ban were neither complete and absolute, nor are today's lack of restrictions complete and absolute. It would be closer to truth to say that the day imperialist capital begins to operate without any restriction it will throttle its own neck. Imperialist capital has to be saved from its own bloody claws. In spite of all present day liberalisation imperialism's able representative, J.K. Galbraith, had to say that if the sharp recession of the 1990's did not cause the same scale of destruction as that of the 1930's although it was more serious, then its reason was that imperialist states prevented it by the thousands of ways. If the conditions of lack of restriction had been similar to those in the 1920's then destruction would have been much more. That is, in 1920's there was less restriction than in 1990's.

Truth is that the absence of restrictions in the path of imperialist capital is one-sided. It is for the profits of imperialist capital, not for losses. This is very well expressed in the saying that today's capital has a motto: profit is private, loss is public! The impediments that have been removed, by imperialists, from the path of imperialist capital is only to increase profits. Welfare state was quashed for this very purpose. So far as the dangers facing this capital and the question of losses, that is not without impediments. To deal with dangers and losses faced by imperialist capital the imperialist governments stand up like the Chinese wall as an impediment. The imperialist governments reduce the doles of the unemployed but are prepared to spend millions and billions to bale out monopolist companies from crisis. They do this in 'public interest'. But this 'public interest' is as much 'public interest' as the Indian goods trucks are public carriers.

In the hue and cry of 'globalisation' this essence of today's unrestricted flow of imperialist capital disappears.

In spite of these false and cooked up claims about 'globalisation', there have been some changes in world capitalism after the Second World War. These changes have not brought about any basic change in the nature or tendencies of capitalism or imperialism. But they have added some new, special, features to it. For evolving a correct strategy and tactics for the revolution, it is necessary to take these into account.

The main are : the birth of multinational and transnational corporations, increasing export of capital by them, transfer of some backward industries to the third world and decentralisation of production, international division of labour, employment of capital in speculation on a very large scale, new scientific technical revolution – computer and communication revolution and the 'new economy' related to them etc.

Imperialism is monopoly capitalism. And today the institutional forms of monopoly capital are transnational/multinational corporations. These institutional forms of monopoly capital were mostly born after the Second World War. Not that, multinational companies did not exist earlier. But their number was small. Then multinational/transnational monopoly groups were in the form of Cartel, Syndicate and Trust. Generally the monopoly corporation of one or different countries joined together to form a Cartel, Syndicate or Trust. These were temporary, and they kept on coming into existence and breaking up.

But the speciality of the gigantic M.N.Cs/transnational corporations that emerged after the Second World War was that they conducted transactions in many countries on their own. They still make agreements with other corporations while looking for markets etc, but even without

them that they are capable of working on their own. What provides them this capability is the large volume of their capital and their presence in many countries.

Along with their huge capital they have direct access to the many parts of the world and because of this they are capable of independently producing any commodity from start to finish. Starting from raw material to its intermediate process up to the end product, everything is their internal 'in house' production. This increases their self-reliance, enormously. Not only this, these corporations produce many kinds of commodities. This enables them to survive, against their competitors and in times of economic recession.

This same applies to multinational/transnational banks. They too, beside collecting money and giving it to entrepreneurs, indulge in many kinds of business activities including pure speculation. All these activities increase their staying power. Those banks or corporations that cannot diversify their business, find it comparatively difficult to survive, in the competition.

These M.N.Cs/T.N.Cs are huge. Conditions have reached a stage when annual production of biggest corporations is same or surpasses that of a medium sized country. When India's annual production was near about 350 billion dollars, the turnover of the world's largest corporation's was more than 200 billion dollars. The strength and power of these corporations can be understood from this one fact alone.

Lenin had talked about the fusion of industrial and banking capital in his times and that is still applicable today. Even today, bank directors sit on the Board of directors of M.N./T.N. industrial corporations and similarly industrial corporation directors on the Board of banks. Finance capital is produced from the fusion of these two. The only difference now is that because of the immensity of their form, both have huge stocks of surplus capital. Industrial corporations have a good amount capital, which is dying for investment, and banks have so much of it that even after giving loans a lot remains. The result of this excess capital is reflected in the growing size of speculative capital.

The ownership of these M.N.Cs/T.N.Cs and banks is still national. Though 'multinationalisation' of ownership is increasing, but that is still a faint tendency. There are very few M.N.Cs today whose ownership is multinational in proper sense. Till date even corporations in countries of the European Union (E.U.), who are marching on towards economic union, remain mainly national. Between national and multinational ownership, national ownership remains the principle form and multinational ownership the secondary.

With the increase in the size of monopoly capital in the form of M.N.Cs/T.N.Cs and banks, there is a simultaneous increase in the quantity of export of finance capital. Rather it can be said

that the tendency of export of finance capital that started in the age of Lenin has today acquired the form of living reality. Now only direct foreign investment has become more than 3% of overall global production. If to that are added investments in shares and bonds, loans, 'grants', aid for development projects etc. then the total export of capital by the imperialists reaches a staggering level.

This export of finance capital has also brought about some changes in capitalist production. The first thing that has happened is that, in their desire to be close to the sources of raw material and cheap labour, the imperialists have transferred some of the labour intensive industries to third world countries, especially to those that are semi-industrialised. In this their desire to push the pollution spreading industries in far away backward countries has played a role. Besides, the imperialist countries want to get rid of some old heavy industries. Due to this process, albeit even unintentionally and not even fulfilling their requirements or even in opposition to these requirements – industrialisation of third world countries has increased to a degree.

The second thing that has happened is decentralisation of production. Now the M.N.Cs instead of making all the parts needed for a particular product and assembling them in one country, are making or getting these made in those countries where it is cheapest and done best. After that they get it assembled in one place. Often it is being assembled in the country where it is to be sold, instead of assembling in one place and selling it in different parts of the world. Parts being manufactured in the different parts of the world are brought there. Modern car industry is its representative example. Since all these processes are organized by one corporation, they can use different kinds of facilities and advantages available in different places. This brings down, their cost of production and increases profit. Because of this process the export-import record entered in the books of different countries is actually fictitious. It is simply the record of internal export and import of these corporations.

Another, related matter, is out-sourcing. In this companies instead of producing the parts themselves get them produced by small contractors and the company just tests its quality and uses it. Because of this small industrialists no longer are independent producers, but have been reduced to suppliers of parts for the M.N.Cs. This is a very strong basis for the unity between medium and small entrepreneur and the M.N.Cs, for their pro-imperialism. With the entry of MNCs in every branch of production, this tendency increases. In some cases out-sourcing has reached its limit. Nike Company has no production unit though it is the one of the biggest shoe manufacturing companies in the world. From parts to the end product, it gets all the work done

through contractors according to its own design. And after examining their quality at the end, it puts its brand stamp and sells the product.

In this way through export of capital through M.N.Cs, capitalist production has decentralised to a degree on a world scale. This has meant increase in division of labour on a world scale. This process is not new, only the level of this division of labour has increased. Through this global division of labour, the power of M.N.Cs has, for the present, increased as against labour. Now they are not dependent on one country or Plant for their product. They can get their supplies from elsewhere and thus outmaneuver labour. But this global division of labour has given birth to a basic of natural unity amongst the proletariat on a world scale. The slogan – 'Workers of the world unite!' has acquired greater weight and meaning automatically.

Though these are only emerging tendencies but in the days to come they will increase. Decentralisation of production and global division of labour will increase. All these will objectively bring the whole world closer to communism.

This progress of monopoly capital of M.N.Cs/T.N.Cs has been made easier by the new scientific and technological revolution. This revolution is taking place in the sphere of computer and communication. It continues even now in full momentum.

This new scientific and technological revolution has given birth to new industrial spheres, but they do not in themselves have much meaning for global capital. They do not solve the problem of accumulation of global capital. Though there is a lot of hue and cry about new economy but this is more a hue and cry of speculators of stock markets and brokers. The new industrial avenues opened by computer, Internet communication etc. do not have the strength that two earlier technological revolutions had. The railway and textile revolution, which was based on the steam engine and the automobile and electricity revolution, were revolutions that opened new horizons for accumulation of capital. Not only were huge amount of capital invested in these industries but also they opened new chains of allied industries. All these took accumulation of capital to new heights. Today's computer and technological revolution does not have that power. It is not giving birth to new industries. Besides, these industries are not capital-intensive industries. In spite of a lot of noise about 'new economy', it will not open up new gates for accumulation of capital nor will it play an important role in solving the immense problem of accumulation of imperialist capital.

This new technological revolution has contributed to the reorganization of old industries and this is its real contribution. Through it, not only is computerisation and robotisation taking place but decentralisation of production has become easier. From production to distribution, all

are being affected by it. It is taking production and distribution to a new height. Surely all this is against labour and for capital, as happens in every technological revolution or development in capitalism.

This computer and communication revolution has taken speculative capital to new heights. As the global capitalist system is driven into deeper crisis and opportunities of investment shrink further, more and more capital has turned to speculation. Besides the old forms of speculation in share market, new forms of speculation have developed. They are so novel and strange that apart from speculators it is difficult for others to understand them. Today it is difficult to say if more capital is invested in speculation or in production and distribution. Today in total circulating capital, productive capital is hardly 5%. In the beginning of 1990s, the ratio between currency trade and commodity trade was 20:1.

Since this speculation, despite moving in thin air is related to the same financial system as enterprise of production and distribution are, thus this speculative capital also puts them in serious danger. In a moment, the flight of speculative capital from one country may put its financial system (including currency) in disarray, which in its turn affects production of commodities and distribution. This can even happen in countries with stable economic system, only speculative imperialist capital should have a free hand. This is what happened to South Asian countries in 1997-98.

This speculative imperialist capital specially affects third world countries. For those countries of the third world that, integrate their financial system with imperialist financial system this speculative capital becomes very dangerous. This speculative capital can, for any imaginary or actual reason, take flight and can as a result pull down the entire economic system. This is why third world governments become helpless before speculative capital. They can free themselves from this only by keeping themselves somewhat distant from the imperialist financial system.

There have been changes in the internal composition of imperialist economic systems as well. Today the share of agriculture in these economies has become very small, less than 5%. The share of industry is also between 15 to 25%. In contrast the share of services is almost three-fourth. This is also a sign of the increasing productivity of these economies. The earlier non-monopolist areas of the service sector have in the last decade's undergone monopolisation. Today monopolist companies of the service sector are among the biggest monopolist companies.

Put together, these are the changes that have taken place in the last fifty years in global capitalism. Seeing these changes from one's class point of view imperialists are making hue and cry about globalisation. About this 'globalisation', it has to be remembered that the most of the

integration and interlinking of the capitalist system has so far been restricted between imperialists themselves. So far, 80% of the volume of direct foreign investment is between them.

But all these changes are unable to solve the problem of accumulation of monopoly capital. Instead this problem of accumulation keeps on increasing. The entire imperialist world is in grip of stagnation. Within this state of general stagnation, phases of recession and boom keep going and coming. All the quacks of imperialism have failed to break this state of stagnation. The seriousness of crisis can be gauged from the fact that over the whole of 1990's the unemployment rate hovered around 10% in the European countries. In some countries, it even went upto 20%. 'Growth without employment' of American imperialists also turned hollow when in 2001, the American economy again fell into recession.

To come out of this crisis (of accumulation) the imperialists have found a way, i.e. they develop military industrial complex. Every imperialist country has developed military industrial complexes on a large scale. These complexes not only fulfill the military needs of the ruling class of these countries but they have become an aim in themselves. They incorporate a large chunk of labour power and give their capitalists immeasurable super profits. This solves, somewhat, the problem of both, the capitalists and the government. The imperialists not only collect weapons on a large scale but they sell these throughout the world. This makes the military industrial complexes grow and prosper. The blooming of these destructive industries is the most despicable example of the decay of present day imperialism.

This imperialism is the same as that during Lenin's time — decaying and moribund. In the last decades many forms of this decay came to the surface. If in spite of it this moribund capitalism does not appear to be dying, rather recently having dealt a blow to socialism and equipped with the new scientific and technological revolution it is looking more prosperous and healthy, then this is not surprising. Moribundness of a social system is a long-term tendency, not immediate condition. For a system, to be on its deathbed does not mean that it will die on its own in a few moments. It just means that the system has basically lost its vitality and it will continuously inch towards its death. But so long as the social system is not brought down, it will, if not anything else, because of the rule of inertia, stay put. In the meantime a system like capitalism can also display unusual development in this or that area of production. This fact is implied in the thesis of the moribundity of imperialism. It has to be remembered here that the feudal system having started decaying and becoming moribund, remained alive for 4 to 5 centuries. In the meantime capitalism made several unsuccessful attempts to install itself. After a long period of struggle, the feudal system was substituted by the capitalist system. This applies all



the more to a totally different social system like communism, which aims to wipe out the entire historical era of class-societies and establish a classless social system. The present state of imperialism has to be seen in the above context.

Monopoly capital in these countries has not only become very big but has become a part and parcel of the State. The State is not only the managing body of the capitalist class but has directly become interlinked with monopoly capital. This interconnection of monopoly capital with the State has given birth to state monopoly capitalism in these countries. This state monopoly capitalism is different from that of Soviet Union and Eastern Europe. Since the birth of imperialism itself, this tendency of state monopoly capitalism has been increasing. Matters have reached such a state that the leaders of these countries have become salespersons of their monopoly capital.

In sum, today in imperialist countries productive forces have developed enormously. These productive forces are at work on a global scale. The entire world is their workplace. But production relations are still mainly imprisoned within national boundaries. The most important thing of production relation – ownership still remains national. For productive forces to cross and go beyond national boundaries and production relation to remain within national boundaries is a contradiction, which has in the past given birth to two world wars. Even today this contradiction remains and is expressed in the form of inter-imperialist contradiction. Within the sphere of capitalism, this contradiction will remain so long as there is more than one nation.

Today ownership is being multinationalised to an extent. But this tendency is still secondary. So this contradiction remains.

An indirect result of productive forces operating on a global scale has been the springing up of an integration of countries like the E.U. and other regional economic groupings.

Capitalism, soon after its birth, eliminated feudal disintegrality and alienation and bound together a particular region into a nation. The nation was to have its own state. This was the process of centralisation by capitalism – centralisation of different nations around different points.

But in that process of capitalism there was an opposite motion inherent in it. On one side it was bringing together different regions into different centralised nations, on the other hand it was breaking the alienation between nations. By continuously developing the productive forces it was also breaking national boundaries. It was also making nations dependent on each other.

Up to the present phase of capitalism, these two opposite motions were moving together. Earlier the first was main, later the second gradually began to become influential. Though today the alienation of nation is primary, still the second strand has started influencing nations more and more.

This second motion is presently showing two results. One is that some nations are moving towards mutual merger and the second is the tendency of some nations moving towards a centre and coming closer together. Actually both are the same process. One is developed and other is comparatively underdeveloped. The example of the first is E.U. and that of the second is NAFTA and Asia Pacific rim around Japan.

Complete unity for the European nations, as one country is still far away. Till now only their economic integration process is slowly progressing. But sooner or later this will move towards political merger, unless its opposite motion does not get the upper hand. The process of political integration has already commenced.

Movement of European nation towards one country is a mirror of the objective, real motion of capital. All the more so because Europe has been the birthplace of capitalism. From the time of the birth of capitalism Europe has been the center of mutual wars. The countries of Europe fought more wars between themselves than they did outside Europe. Two devastating world wars were fought on European soil. What were these wars? They were mainly those weapons through which capital was integrating them. It was through these wars, that the productive forces operating at the level of whole Europe were solving their contradiction with the captive production relations within national boundaries. But every time the solution was temporary because the contradiction basically remained intact.

Within capitalism nothing else could happen. This contradiction in capitalism between productive forces and production relation could only be gradually solved. Progress towards solution could be made slowly only in this way.

It is not that the capitalists of Europe are integrating because they have become wiser as a result of so many wars. Rather the fact is opposite. It is because of these wars that integration process has slowly advanced. Only these wars have advanced integration of Europe to this stage. If integration is still not possible, then another war will advance it. This is a long-term historic process.

Seen from immediate economic and political standpoint, this integration of Europe under the leadership of the capitalists of Germany and France is being done by European capitalists in the overall interests of their capital. In spite of being historically progressive, at the immediate economic and political level this unification is reactionary. This is being done to solve their crisis of accumulation of capital and to face the rivalry with American and Japanese imperialist capital. This integration is taking place solely in the interest of capital, and on its own terms and conditions. The interests of labour are missing in this integration. Rather in the immediate, this will pose great

problems for labour. With the spread and decentralisation of production, the day-to-day struggles of labour will in the immediate context become more difficult. Similarly, with a crisis aggravating in one country the chances of its reaching a revolutionary situation will become bleaker because of this integration. After this integration, only a crisis on a European scale can bring about revolution. But while making the revolution difficult, it facilitates the situation in one way. After the revolution it will be much easier to build socialism in the whole of Europe and the passage to communism will become faster.

But this integration is far from completion. It still has a long way to go. Although for the last 50 years there has been progress, slowly and steadily, still it cannot be ruled out that this process can be overturned if the imperialist crisis heats up. This will be easier in view of the fact that politically all these nations are still separate.

This same process has started, if faintly, in the NAFTA countries under American leadership and Asia-Pacific countries under Japanese leadership. For the present, these are trade groups of the two main dominating imperialist countries. But the process of regional integration is also going on. But this process is in such a nascent stage that any adverse blow can reduce it to pieces. In the Asia-Pacific rim everything will depend on the direction in which China develops. Its emergence as a strong economic power will decide the equations there in a new way.

Today the World Trade Organisation expresses the overall motion of global capital in most condensed form. How much domination imperialist capital has on global capital, what are its relations with the capital of third world countries, to what extent has it hijacked the rights of countries to determine their economic affairs etc. – all this is expressed in the World Trade Organisation.

Today imperialist capital dominates global capital. In this imperialist capital, the leadership is in the hands of American capital and European and Japanese capital are in intense rivalry with it. The capital of the third world countries does not stand anywhere compared to them. Only together do they have some strength.

The imperialist capital that dominates global capital is monopoly capital and the institutional units of this monopoly capital are the M.N.Cs/T.N.Cs. The ownership of this monopoly capital is still national, though the process of multinationalisation of its ownership is going on.

These truths of global capital are reflected in the World Trade Organisation (W.T.O.). It is not without reason that the W.T.O., in the pretext of trade, brings within its ambits all activities relating to capital whereas its predecessor G.A.T.T was mainly trade related. The transformation from G.A.T.T. to W.T.O. has definite historical economic meaning.

The W.T.O. is the international manager of monopoly, imperialist capital. Along with this it is also an institutional, collective apparatus of imperialist capital for the loot of third world countries.

Every country does not have a status of equality in the W.T.O. The only reason is not merely that, for unequal countries having an equal law would in fact institutionalise their inequalities and enhance them. Here, rules have been framed in favour of powerful countries. Some of the rules are directly in favour of powerful countries and against the weak countries.

Generally in capitalism and especially in monopoly capitalism, everything is decided by, who has how much economic strength. If all are more or less equal, then the relations between them are that of equality and issues between them are decided by the degree of consensus between them. But if one or some are, so powerful that others cannot stand up before them then their interest and desires become the law for the rest. The rest have to follow accordingly.

After the Second World War for almost two and half decades the position of American imperialists in world capitalism was like the above. Japan and Germany were shattered by the war and England and France were ruined by the fierce war. In such a situation the American imperialists established their domination over world capitalism including these imperialists. As a result of its undisputed domination over world capitalism, its own interest became everyone's interest. Others even if they wanted could not do anything against America. They had to bow to it. So it was not surprising that America rejected the I.T.O. of the Breton Woods Conference. It was because of American objection that I.T.O. could not come into existence at that point of time. Instead was born a much weaker and intermittent G.A.T.T.

The reason was clear. Having undisputed domination American imperialist capital determined the overall motion of global capital. It was managing global capital and making its rules and regulation. Is the dollar and gold standard not its best example? In this situation why should American monopoly capital unnecessarily bind itself to an institution like I.T.O.? Why should it unnecessarily allow restrictions to be put on it? The most important point was that it was bringing into its neo-colonial grip the newly independent countries and was deciding the mechanism for their exploitation and oppression. Thus there was no need at that time for an institution like W.T.O.

But the situation started changing from the 1970's. With Japan and Europe standing on their feet, America was being seriously challenged and its dominating position began to end. The end of the gold dollar standard in 1971 marked this beginning. So now everything could not work in world capitalism in accordance with the wishes of American monopoly capitalism. Balance of

power was changing and as part entire equations were changing. Now the G-7 came into being to decide the mutual relation between imperialists. Now the motion of world capital could not be determined by American monopoly capital alone. It was essential to include the rest in this process. Rest joined in this process according to their standing. So far as the question of third world is concerned, having gradually slipped out of the grip of American neo-colonialism — only American monopoly capital could not decide their affairs. Secondly, at this time, a sharp rivalry between the two superpowers was going on and the third world was taking full advantage of it. When these countries, in crisis, were compelled to go to western imperialists then the I.M.F. and W.B. did the work of bringing them under their sway — institution whose work had now changed. Now they were mainly becoming the instruments of imperialists to bring the third world countries under their claws instead of being institutions by imperialists, for themselves. In totality, this was a phase of transition in every way. The domination of American imperialist capital was nearing an end and the Japanese and European capital was emerging. The countries of the third world, on becoming crisis ridden, were gradually moving towards integration with western imperialist capital. The I.M.F and World Bank having changed themselves into a collective instrument of western imperialists were trying more and more to incorporate them into the imperialist system.

It was not surprising that when in 1986 the eighth round of talks in GATT began, at that point of time the imperialists came up with an entirely new agenda. Now, this was not be a talk for a temporary agreement on trade, but there were to be talks for the setting up of a permanent institution for overall regulation and for making of rules for capital. Monopoly capital had reached such a stage, where for its own management, such an institution was required.

Things had, to a degree, acquired a new form. The domination of American monopoly capital was over, though due to its economic and especially military strength its leadership role was intact. Japanese and European monopoly capital had come up almost equal to it, though they were still behind it. After the emergence of Gorbachov the third world capital was also fast integrating with world capitalism. Around 1990's all these trends reached new levels.

There were two main issues before monopoly capital. First, in the absence of one dominant imperialist capital, it had to frame rules for its own regulation. Second, it had also to frame rules for dominating the capital of the third world.

Most of the third world countries were now neither colonies nor neo-colonies i.e. neither was there direct rule of any imperialist country nor indirect control. Now these countries were in a way available to all imperialist countries as plunder material. Along with this they were integrating more and more with the imperialist world system. It was therefore necessary that a system be

established so that all imperialists' countries could milk them in accordance with the strength of their capital. The I.M.F and WB were insufficient for this. Though, now, they were working for the imperialists, as their collective weapon but they were only capable of bringing the third world into their dragnet (I.M.F) and initially pruning and trimming (W.B.) them. To bring these economies, completely, within the imperialist fold and for regular control a more comprehensive institution was required. And this institution was established in the form of W.T.O.

The petit bourgeoisie kept shouting that issues like investment and intellectual property rights were unnecessarily and forcibly being included in the talks. They argued that as these were not related to trade they should not be included in GATT talks. These simpletons did not see that this was not an ordinary trade related talk like the earlier ones. This was the strategy of monopoly capital for this new phase. Times had changed and in changed times something new had to be done. Monopoly capital made G.A.T.T. talks, its platform and transformed it into quite a different thing. Under the pretext of trade it set up a complete institution for the conduct of global capital under the dominance of imperialist capital.

In this institution of world capitalism named W.T.O., there exists, imperialist as well as third world capital, in accordance with their capacity and strength. The entire structure and all its rules and regulations have in the first place been made to suit monopoly imperialist capital. In this too the American monopoly capital has priority, though the position of Japanese and European capital is not that bad. On the other hand they have placed the capital of third world in an inferior position. All the rules and regulations have been so designed that further pressure can be applied on the capital of third world. Sometime back, the imperialist raised the issue of environment and working conditions to create this pressure, in which, they succeeded to an extent.

W.T.O. is not only a condensed form for today's world capitalism, but is also the condensed form for monopoly imperialist capital. And today the basic institutional form of monopoly capital is T.N.C/M.N.C. This monopoly capital is becoming multinational to a degree in respect of ownership and interests. W.T.O. expresses this very well.

It also expresses the collective interests of global capital generally and specially that of monopoly capital. If this was not so, it could not have come into existence.

Herein comes the question of nation-state. Some petit-bourgeoisie and imperialists are saying that global capital is overstepping the boundaries of nation-states, it is crushing their sovereignty and nation-states are now on the way to extinction. Globalisation of capital has made the nation-state irrelevant or is moving in that direction.

This is not the truth. The truth is that nation-states still exist. They are, even today, deciding the economic and political motion of the world. It is not that, representatives of M.N.Cs/T.N.Cs or the representative of third world companies sit in W.T.O. The representatives of nations and countries sit in W.T.O. At the global platform all the capitals are represented by their nation-states. Not only this, the process of globalisation is being directed by nation-states, by nation-states that are controlled by the capitalist classes of respective countries. The day global capital renders the nation-state irrelevant, that day this will not happen. Then corporation and company representatives will directly sit there, though in capitalism such a day will never come.

In the matter of sovereignty of nations it is to be remembered that this sovereignty is not absolute, it is relative. The forces of market and capital have given rise to nations and their sovereignty, and they always have decided the limits of this sovereignty in keeping with their needs and the stage of their development. This, they have done both as a unit and as a part of the overall world capital and market. This applies even today. The general principle about necessity and freedom applies also on the sovereignty of nations i.e. recognition of necessity is freedom.

Today productive forces are operating on a world scale. This is the given necessity. If nations have to determine their policies then they have to recognise this necessity. This necessity determines their freedom. Recognising this necessity, in the interest of their capital all the capitalist countries are integrating their economies. Governments of countries and nations are doing this integration on their own will. In such a situation, it would be wrong to place 'globalisation' of capital and sovereignty of nations in a confrontational position. That would be presenting sovereignty of nations as an absolute value.

The fact is that all the nations/countries in the interest of their capital have surrendered a part of their sovereignty to the W.T.O. It generally happens that when some people gather on one collective platform, they surrender their sovereignty to some extent. If that does not happen then that platform will have no existence. That collective platform acquires its existence, its 'sovereignty' from 'sovereignty' surrendered to it by all. This is true in case of the W.T.O. also.

The sovereignty of countries and nations is not being eroded. Either it is merging with the sovereignty of rest of the countries (in the case of European Union) or it is being surrendered to a collective platform (as in the case of W.T.O.).

But which nation/country is surrendering how much of its sovereignty does not depend on its own sweet will. This is mainly decided by the power of its capital. The more powerful countries, are giving away very little of their sovereignty, rather their own national policies are becoming the

policies of the W.T.O. If the W.T.O. had come into existence in 1948, America would have surrendered a very small part of its sovereignty, because then, the motion of American capital would have become the rules of W.T.O. Even now, those policies of imperialist countries that are common easily become the rules of W.T.O. When they are dissimilar there are serious clashes between them. Japan does not want to surrender its sovereignty over the subsidy for its rice producers. But this does not apply to third world countries. They are owners of very weak capital. Requirement of their capital is quite different from those of imperialist capital. As a result, they have to surrender a great deal of their sovereignty to the W.T.O. They cannot make policies according to their wishes even though they want to.

That is, all member countries have surrendered a part of their sovereignty to the W.T.O. To that extent, they have relinquished their sovereignty. Their sovereignty has decreased. But whose sovereignty has decreased how much is decided in accordance with the strength of their capital. Powerful countries have surrendered a little while they got the third world to surrender a lot. Its over all regulator is imperialist monopoly capital. Everything is decided by it. The difference between loss of sovereignty and surrendering or relinquishing it is that in the latter case it can be taken back or altered. Even today if any country leaves the W.T.O., it can get back the sovereignty it had surrendered. Not only that, if there is change in the economic condition of the countries or in the strength of their capital, then there can be changes in the rules and regulations of the W.T.O.

This is what keeps chances open that in future in case of fierce rivalry between imperialist's powers the W.T.O. may disintegrate. Or if one imperialist country becomes very strong or there is socialist revolution in some important countries, its form may undergo complete change. Being conducted by so-called equal rules W.T.O. does not solve or eliminate inter-imperialist contradictions. On the contrary these contradictions determines its rules and regulations, its form and its overall fate. The nation-state is still, sufficiently sovereign.

Some argue that the biggest proof of the erosion of the sovereignty of nation-state is that it is helpless in the face of monopoly capital and especially quick moving speculative capital. But this is accepting the saying as proof. These nations are helpless in front of speculative capital because they have accepted the rules of monopoly capital and have surrendered part of their sovereignty to it (by joining the W.T.O.). If they take back this sovereignty even now and start applying it then the situation will change. If they put a ban on speculative capital and implement other policies according to it then speculative capital can do nothing. True, it is difficult for third world rulers to do this because they have chosen the road of integration with world capitalism.



Because of the crisis of their capitalist development, this is their fate, as well. Its solution is not to cry about erosion of sovereignty, but socialism.

It is to be noted here that, to the extent to which multinational ownership of monopoly capital has taken place to that extent an institution like W.T.O. has got a permanent base. This permanent base looks after the interests of the multinational ownership of monopoly capital. But this multinational ownership being secondary, in the entire conduct of W.T.O. this permanent base is still secondary. Today the base is mainly temporary and is decided by the temporary interests of monopoly and non-monopoly capital.

Thus, W.T.O. on the whole serves the interests of monopoly capital. It is the living institutional form of the interests of monopoly capital and the entire toiling masses of the world in their instinct realise it. It is no surprise that there is bitter opposition to W.T.O. since its birth. Actually, this opposition is against world monopoly capital that is creating havoc in the lives of world's workers and other toiling classes.

I.M.F., W.B. and W.T.O. are the three collective instruments through which the imperialists are managing the plunder of the third world and appropriation of world surplus value. The share of their plunder is decided by the comparative strength of their capital and the total balance of power.

Today the imperialist world is divided in four parts. Its leaders are America, Japan, Germany-France and Russia. The first three groups are for the present more powerful and influential. Russia has not yet been able to recover from disintegration of Soviet Union.

After the Second World War American imperialism had established undisputed domination and leadership over the imperialist world. Devastated by war Japan and Europe were in no position to challenge it. Rather they needed American support in post-war reconstruction.

This reconstruction took place in the decades of 1950 and 1960. This reconstruction brought unprecedented growth for two decades in the western capitalist world. But by the end of 60's, with completion of reconstruction work two things happened simultaneously. One – capitalism's characteristic crisis – crisis of recession and boom returned with full fury. Not only that it took the shape of long-term stagnation. Every effort by imperialists to get out of it failed. Secondly, after reconstruction Europe and Japan both stood up as rivals to America. America's singular domination broke down.

During reconstruction and after that till the beginning of 90's Japan's growth rate was far ahead in comparison to America. In some areas like robotics, electronics etc. it went ahead of

America. Its corporations and Banks began to reach American market. It was natural that it collided with America.

Europe too became stronger after reconstruction. Though separately the countries of Europe could not stand against America or Japan but their collective strength was considerable. (Today the collective annual gross domestic product of E.U. is nearly equal to America). Therefore to lock horns with them they started trying for European unity. In this Germany and France provided leadership. Now after setting up of a common currency in 2002, this unity has advanced further.

Because of their past Japan and Germany had weak military strength in contrast to America's and America since its days of domination had bound Europe through N.A.T.O. in its military alliance, still it could not in any way stop their intense rivalry with it. Yes, it greatly influenced the effects of this rivalry. Because of the intense challenges, gradually American domination was over and it merely remained leader of the imperialist world. It held this leadership position because of its economic power and also because of its super-gigantic military capability. In this respect only Soviet Union could stand before it.

In the decade of the 1980's as the imperialist economic crisis deepened, it more and more became mired in stagnation, along with stagnation four things kept on increasing: the contradiction between the two imperialist super powers, pressure of the imperialist countries on their own masses, the contradiction between the three groups of the western imperialists and the pressure on the third world. The results of these determined the future course of events.

By the end of the 80's Soviet social imperialist bloc declined and in 1991 Soviet Union itself disintegrated. The 'Regan offensive' of 80's proved useful and the cold war ended in favour of America. In the words of G. Bush (senior) 'by the grace of God' they won the cold war. Though America also had suffered badly in this war but it was victorious. The downfall of the Soviet imperialist camp changed the power balance in the world in favour of western imperialists. Western Imperialists became aggressive. Under American leadership they showed the first example of this aggressiveness in the gulf war against Iraq.

But after the demise of Soviet camp, the mutual contradictions inside the western imperialist camp became more intense. The crisis of stagnation was deepening their contradictions even otherwise. With the demise of Soviet camp their cementing force also disappeared. Now their contradictions came to the fore and began working in the open. Though this contradiction was still limited to the economic sphere, but Germany and Japan increasing their military capability and Germany and France trying to build up independent European military strength

apart from N.A.T.O. were its other expressions. Economic contradictions were so sharp that because of their clashes G.A.T.T. talks dragged on for 8 years.

Monopoly capital took another road to come out of its crisis of stagnation. To increase its share in the national income and decrease the share of labour it started a jihad against labour. The two brave heroes of this jihad were Ronald Regan and Margaret Thatcher. They began to strike at the welfare state set up after the Second World War. These welfare states were mixed results of great depression of 1930s, unprecedented boom for two decades after second world war, pressure exerted by rights enjoyed by the people of socialist countries (later of pseudo socialist countries of East Europe and Soviet Union) and struggle of their own workers. By the end of the 1970's all these factors had become either old or had faded away. For example, the fearsome effects of the depression of the 30's were forgotten and the labour movement had almost come to a stand still. In this situation capital launched an assault on labour. Starting from America and England all the countries took this road. After the fall of the Soviet block, remaining countries also began singing the tune of liberalisation day and night. The share of labour in the national income began to be cut in thousand ways and the share of capital enhanced. In a way, it can be said that this was a punishment for the working class of these countries for their decades of reformism and later inaction.

Besides striking at labour within the country, monopoly capital also launched an attack outside the country, on the third world. Bringing them within its grasp by different means it began to integrate them with itself. After the demise of the Soviet camp, it got what it wanted. It acquired a hold on third world capital.

The result of this entire process was that imperialism in 90's became stronger than earlier and on a world scale more dominant than before.

The factors that made imperialism weak were: socialism, proletarian struggle in imperialist countries, national liberation movements, internal crisis of imperialist countries and inter imperialist contradictions. Factors strengthening imperialism were: increasing strength of finance capital and the birth of new imperialist countries or the strengthening of old ones. Among the factors that weakened imperialism – the first two received severe blows in 70's and 80's. One serious blow had been received earlier in 1956. With the completion of the phase of national liberation movements and the integration of third world countries in the imperialist world system this factor became ineffective or was resolved in favour of the imperialists. The crisis of imperialists definitely increased somewhat and one imperialist power was grounded. This weakened imperialism. Similarly the growing competition amongst West European and Japanese

imperialists helped in further weakening it. But in the meantime, the fierce competition between Soviet and American imperialism came to an end and this strengthened imperialism. Both the factors strengthening imperialism increased. Monopoly finance capital increased at a rapid pace. Monstrous M.N.Cs/T.N.Cs became more huge. Japanese and European imperialists had overcome the destruction of the Second World War and started taking part in the imperialist loot.

As a result of all these factors imperialism in 1990's gave stronger and more dominant, than earlier. Keeping sharp internal-rivalry within limits it broke loose on its own masses and those of the third world. Imperialism today is still parasite, decaying capitalism and its long-term decline is continuing. But for the time being, collecting itself, it has with renewed vigour launched an attack on the masses of the world. But though in an assertive position, it cannot reach the earlier status of the colonial or neo colonial age.

In this aggressive posture, imperialism has started tightening its noose on third world countries. Countries that were willing to voluntarily bend had no problem. But those countries not willing to bend, found imperialism trying different means of rounding them up. North Korea, Cuba, Libiya, Iran, Myanmar etc. were in great trouble. According to their 'new world order', the imperialists ransacked Iraq to their hearts consent. Still they did not stop at that. Even after that they continued their aggressive attacks to bend it.

But the behavior of these countries and the relation of imperialism with them present a true picture of the 'new world order' or economic neo-colonial system at present. Though apparently imperialists have no significant challenge (socialism, proletarian revolution or liberation struggle), yet they are not able to do much harm to these 'rogue' countries. If these countries of the third world do not themselves commit foolishness like Saddam Hussein then the imperialists, however much they may wish to, cannot openly intervene politically in their affairs. They cannot establish indirect political control. At most, they can put them into economic isolation or they can organize sabotage actions there. They cannot go further than this. They keep pressuring India and Pakistan to sign on nuclear non-proliferation treaty and these countries giving them the slip, conduct nuclear blasts. This is the greatest example of political independence of rulers of these countries.

Still it cannot be denied that in the decade of 90's, imperialists having become overbearing tried their level best to tighten their grip on the third world and bring it under their thumb. For this they have used innumerable excuses like terrorism, democracy, human rights, good governance etc. They went so far as to unleash direct military interference in the name of restoring law and order or preventing genocide (specially American imperialists) and in some weak countries, which were already devastated because of, inter imperialist rivalry. In the last decade in

Iraq, Somalia, Rwanda, Kosovo and Afghanistan such interventions have taken place. But the important thing is that they were able to do this in sharp crisis-ridden countries. Generally, they have not dared to interfere in countries leading a normal life even though these countries may be mocking them openly. This clearly demonstrates their intense desire for military intervention, imposing their indirect political control and their inability to do so.

These military interventions are not only an expression of the aspiration of all imperialists to establish their domination; it also expresses the desperation and efforts of American imperialists to maintain their superiority. In all these interventions American imperialists have given leadership. The British imperialists have given their support. Although other imperialists have given Luke-warm support but these actions have been mainly American actions. The American imperialists are engaging in all these campaigns not only to protect the interests of their capital but also to keep other imperialists tied behind them. They have a double purpose in this. Demonstrating their military prowess to other imperialists now and then is no less important goal.

It is to be noted that the American imperialists (also other imperialists) have developed new military strategy so that their personnel suffer minimum casualties. In this, they have learnt a lesson from the Vietnam War. Now instead of sending troops they launch rockets and aerial bombing and destroy the country. Not only its military capability but also its civil capability is destroyed. In this, they have fully used newer military technologies. They succeed in procuring great support from their countrymen through their monopoly media network.

Despite all this, they cannot go beyond than a certain distance in using their military muscle. So awkward is the situation that for these actions they have to find out many excuses and have to use institutions like United Nations.

In the decades of 1970 and 80, the third world countries, taking advantage of super power rivalry, used the U.N. as a forum to harass the American imperialists. Many a time these countries passed anti-American resolutions in U.N. General Assembly. They went chasing, American imperialism's stooge-Israel.

But now the situation has changed. Since 1990s, the U.N. has become a forum to fulfill the interests of the American and other imperialists. In the decades of 1970's and 80's America was running away from the U.N., now it praises this forum. Not that it has great respect for U.N. If necessary, it takes action by side tracking it at its sweet will. But this new stance only shows that this institution has fully become the protector of the interest of all imperialists, specifically of American imperialists.

The integration of the third world in the world capitalist system has taken place in this aggressive mode of imperialism. For the present, the situation for rulers of third world countries is grim. But it can change. If the mutual contradictions between the imperialists intensify or if there is socialist revolution in some countries, situation may change in their favour. Their bargaining power may increase. In recent adverse conditions, they keep trying to increase their bargaining power in several ways. One of the examples of this effort is the formation of regional organisations by them.

The relation of third world rulers with the imperialists is that of junior partner. It is not the relation of comprador and master. Besides being the junior partners of imperialism, the capitalist rulers are also social prop of imperialists in their own countries. Imperialism today is working in third world countries through the ruling capitalist class there. The earlier social props of imperialism in third world countries, the feudal class and the tribal elite have disappeared. Their place has been taken over by the capitalist class in its totality.

It is through this capitalist class that imperialist capital is operating in these countries. This imperialist capital is coming in different forms – foreign direct investment, share investments, speculative capital, loan, aid etc. But the entry of this capital in these countries is not with the object of developing them in any way. Its only aim is to earn super profit. Try to squeeze them in thousand ways. Some among them are: repatriation of the profit on investment of capital, royalty on patent-technology etc, interest on loan, earning profit by speculation, trading currencies to earn profit, over-invoicing or under-invoicing in trade, using routes of tax rebate etc. The truth is that, in sum, today capital is flowing from third world to the imperialist world. In last decade the debt of third world increased two fold, though more than original amount had been paid up.

During the last two decades of integration the major portion of capital invested by imperialist countries in third world countries has not been invested in developing the productive forces out there or in installing new means of production but rather in taking over the existing means of production. In this, the policies of liberalisation and privatisation of the governments of these countries were of great assistance.

Because of the entry of monopoly capital whatever little productive forces developed in these countries, that too was not the objective of the monopoly capital but it's by-product. And this by-product is quite unbalanced, distorted and not in conformity with the needs of these countries. Everything is being done in accordance with the needs of monopoly capital. In totality monopoly capital has become a great hindrance to the growth of productive forces in these countries. If these countries were to develop with the resources available there, then this

development would be faster, more balanced and in accordance with their needs. But it cannot be expected from their capitalists that they will choose this path of development. This can be done only by socialism.

Because of this development and due to relations with monopoly capital these countries are extremely crisis ridden. Only 15 to 20% population of these countries is in a position to take advantage of 'globalisation'. Rest of the population, though bound in the capitalist relation of the market, is out of the market because it does not have purchasing power. They are people dumped on the margins. In some countries, in the last two decades, there has been a steep decline in their standard of living. In contrast, the ruling class in these countries, elite classes, are becoming one with the global capitalist class; they are leading similar lives. Gradually it is becoming a case of people living in two different worlds. Elite ruling classes are rolling in wealth, they are making a nation within a nation. The rest of the masses are grinding under the intolerable burden of 'liberalisation, privatisation and globalisation'. The gap between rich and poor is widening throughout the world. This gap is increasing between imperialist and third world countries and also within each country. Thus, poverty and richness are also being 'globalised'. Rich becoming richer are collecting on one side and the poor getting poorer are collecting the other side. Bill Gates and the people dying of hunger in Ethiopia are both the inevitable results of the same process.

In this world controlled by imperialists, there is not only the problem of poverty; hunger, unemployment, destitution but some new problems have also acquired vicious proportions. The tendency of capitalism to blindly earn profits is reaching a limit where it is putting in danger the environment of the whole earth. If not anything else, then this is sufficient reason for the need for eliminating capitalism from the face of earth.

The increasing crisis of world capitalism has given birth to the problem of nationalities in a new way. There are still some countries in the third world that are victims of neo-colonial oppression and they are fighting against imperialism for their liberation. But in the last few years, a different kind of problem of nationalities has also cropped up or deepened. These are not inter-state problems but are intrastate problems. The imperialists do not oppress these nationalities; instead, they are victims of oppression by the rulers of the third world, by the same state, of which, they are a part. If imperialism is present anywhere, it is present behind that state. These nationalities need liberation from their own state and not from the imperialists. These problems of the nationalities are the result of the distorted form of nation building, deepening crisis of capitalism, and to some extent imperialist machinations. The solution of these nationality

problems is now only possible through socialist revolutions. Without it, the problems would remain in this or that form. The liberation struggle of these nationalities would assist in the socialist revolution. But in their struggle, the nationalities should strictly separate themselves from religious fanatics. They are not, under any circumstances, progressive; rather they are very reactionary forces. They use the real aspirations of masses as a means to fulfill their own aspirations. Often they are nurtured by imperialist powers. Even in situations where they are opponents, even there they strengthen each other

The fact that in third world countries and in imperialist ones as well, fascist and religious fanatic forces are growing in strength and in some places have reached the seats of power, demonstrates the decay and degeneration of the entire world capitalist system. There is often a direct role, of imperialism, in their birth and development. To protect its life, moribund and decaying capitalism can do nothing else. Today all the religious fundamentalist forces that exist – both pacifist and terrorist; American imperialists have a crucial role in nurturing them. These religious fundamentalist and fascist forces are the enemy of the people and the defence line of capitalists. In spite of all their posture of anti-imperialism, they directly or indirectly, help it. Their 'nationalism' is completely reactionary, in fact most despicable form of nationalism. These have to be isolated and destroyed for the victory of socialism. And only socialism can destroy them because it alone can destroy their roots — degenerate capitalism.

But the forces that can challenge capitalism and imperialism are very weak today. Not only that entire the communist movement on a global scale and in every country is in the state of splits and fragmentation but the workers movement itself is passing through a phase of retreat and re-organisation itself.

The first sever blow to the communist movement was dealt by Khrushchev's revisionism. This blow pushed a large part of the communist movement in the quagmire of revisionism. Though under the leadership of Mao, the Chinese Communist Party and the Labour party of Albania waged an uncompromising struggle against revisionism but they could not retrieve this irreparable damage. Afterward when Deng revisionist became predominant in the party of China this bastion of the communist movement slipped out of its hand.

Since then the communist movement is in the state of retreat. Though in the past few years the communist movement has strengthened in some countries of the third world, but it is still very far from emerging as a force on a global scale.



There have been some attempts to coordinate the communist movement at world scale in the past years but its constituent groups being very weak, these attempts proved faint and ineffective. But the fact of their existence is in itself a good sign.

Not only the communist movement, but also the workers movement is also passing through a process of retreat and reorganisation. In most countries, there was influence of mostly revisionists and social democrats, on the labour movements. They were in leadership. These reformists were agents of capitalist class in the labour movement. So long as, under the welfare state, the capitalist class gave a part of the working class, some concessions, they flourished. But when the capitalist class started attacking labour, they proved unable to bear it. The revisionist communist and social democratic parties went on retreating and it became difficult to differentiate between these and ordinary bourgeoisie parties. This was the fate of England's Labour Party and Europe's social democratic parties. With the transformation of the welfare state into a naked bourgeois state there took place a parallel transformation in these parties as well. These parties were the result of the historic compromise between capital and labour after the Second World War. With its end, they lost their relevance. With them the workers unions and labour organisations controlled by them either disintegrated or became ineffective. In the face of assault of capitalism the labour movement went on surrendering. The same condition evolved in third world countries. There also, with end of welfare state the old trade unions and workers organisations were unable to cope with the capitalist attack.

Both in imperialist countries and in the third world, among workers an aristocracy of workers has been born. If in imperialist countries the possibilities of its birth arises because of the super profit earned by monopoly capital, then in third world countries the capitalists class through state consciously gives a part of the workers extra facilities and creates this aristocratic class. This was also an outcome of the welfare state in these countries. This labour elite was established in the leadership of the entire working class. So it is not surprising that they aligned themselves with the interests of the bourgeoisie state. This also became the cause of the downfall of the labour movement.

Retreating in the face of attack launched by capital, there are some signs of the labour movement recognising itself and restanding. In the last five-six years specially, in the imperialist countries glorious strikes have taken place. Moving away from the modus-operandi of old unions, signs are there of new organising methods. Seeing this, it can be said that the labour movement will rise up very soon once again.

But rearing and reorganising, the labour movement and the communist movement giving leadership to it will have to confront different kinds of reformists nurtured by bourgeoisie. In this is included not only the old camp of reformist-revisionists and social democrats but also included are the new type of post-modern reformists. Only by challenging and defeating them, can the labour and communist movement advance.

But the communist movement has to be aware of another danger. In the present aggressive phase of imperialism-capitalism and the retreat of the communist movement, there is a possibility that some people becoming victims of frustration and despair and bored of hard challenging task of patiently organising the labour movement be involved in 'left' adventurism or terrorist activities and accept that as real revolutionary work. The main dangers of reformism and right opportunism remaining, it is also necessary to fight these tendencies of 'left adventurism'.

The labour and communist movement has to fight against another thing. With the deepening of the crisis of capitalism and increasing resentment of the masses, imperialists, in order to stem this resentment or to create illusion in the masses, are adopting different ways and means. One such thing is non-governmental organisation (N.G.O.) phenomenon. Especially in the third world countries there is a flood of NGOs. Though not all NGOs are agents of imperialism and native capitalism, but for most, this is true. The rest of the NGOs are also spreading the illusion of reformism in the masses and objectively are turning the masses away from revolution and are thus serving the capitalist class. As a phenomenon, the communist movement has to confront the non-government organisations and wipe out their influence from among the masses.

In totality, the main features of the economic neo-colonial world that has come into being in the last two decades are as follows:

- Of the five characteristic features of imperialism enumerated by Lenin, four are applicable as it is. But the fifth characteristic i.e. direct colony or territorial division is not applicable today. History has moved forward.
- Even after the end of direct colonialism, even now imperialism is a system consisting of on the one side a few imperialist countries and on the other those countries dependent in many ways on them. The links in this chain are not only third world countries but also developed but weak capitalist countries.
- Most of the third world countries are politically independent. Though imperialists continually put pressure on their political independence but this basically stands.

- To loot them and earn super-profits from here, the main means employed by imperialism are not direct political rule (colony) or indirect political control (semi or neo-colony) but economic.
- Imperialism exploits them through the enormous gap between its own productive forces and theirs. This is how it earns super profits.
- To regulate this exploitation, imperialists have created their collective institutions — I.M.F, WB and W.T.O. Within these institutions and outside there exists sharp mutual rivalry between them.
- In spite of the form of exploitation being basically economic, imperialism continually tries to use political and military means against third world countries. Especially when someone openly tries to flout its system, it acts at once and decisively.
- Imperialism has been pushed to this position of economic neo-colonialism against its wishes, otherwise its desire for all round domination – political, military, economic remains as such.
- The character of monopoly capital remains the same as before – domination. It is going to the third world not with the motive of development but for loot. By this loot, as a chief product it is devastating its masses and as a by-product causing unbalanced, distorted development.
- In this loot of the third world by imperialism, its capitalist class is with imperialism. They have become junior partner of imperialism and in the global appropriation of surplus value; they get their share according to their capital.
- The capitalists of the third world have, in these countries now become the social prop of imperialism. They have replaced the old social props i.e. feudal class or the tribal elites. But they are junior partners not compradors.
- Now the entire capitalist class of the third world has become reactionary. Its progressive role is over.
- Now in third world countries also, socialist revolution has arrived on the agenda. The tasks of the democratic revolution have been basically completed here.
- The remaining tasks of national liberation will now be completed by the socialist revolution.
- The stream of national liberation has now, instead of being an integral part of world proletarian socialist revolution, merged in it. Now opposition to imperialism has become a part of opposition to capitalism.

In the present phase of this world of economic neo-colonialism, the equation of power and their balance is like this :

Today in the entire world, there is neither a socialist camp nor any socialist country. At this time in imperialist countries, the communist and labour movements are very weak and in a state of splits and fragmentation. This is also the state of most of the third world countries that have thrown away the colonial and neo-colonial yoke. Here also the labour and communist movements are very weak. In countries where the tasks of national liberation are not complete, there the situation is comparatively different. In most of these countries, the national liberation struggle is going on fiercely. In Peru, Philippines and Nepal these struggles are waging in the form of armed struggle in the leadership of communist parties. And in Kurdistan, Columbia and Palestine etc. nationalists are waging this struggle. Though in today's adverse times these struggles are confronted with grave difficulties, still they are bound to reach a conclusion. It is only a matter of time. But these countries being very small their struggles do not affect the world balance of power very much.

Because of extremely weak condition of the communist and labour movements all the balance of power is being determined by the mutual rivalry of the imperialists and capitalist class. In this, the main is the competition between the different parts of imperialists. To some extent it is also decided by the capitalists (specially of the bigger countries) of the third world countries.

Today imperialists are divided mainly in four groups: U.S.A., European Union, Japan and Russia.

America even today is the biggest economic power of the world. After economic integration, the European Union countries taken as a whole equal it. Besides, America is also the greatest military power. These things together still make America the leader of the imperialist world. Along with this, it has behind it the legacy of domination over the capitalist world since after the Second World War. Because of this, even after its gradual decline beginning in the 1970s, it remains the biggest imperialist power. Even today, it is the No. 1 enemy of labouring masses of the world. Especially its aggressiveness of the 1990s has made it highly abhorable in the eyes of the masses of the world. In their eyes, it is like a mad dog.

The American imperialists are aware of this decline. They know its reason but cannot stop it because it is not in their control. In history, earlier also, there have been rise and fall of imperialist powers. To make up for this decline and fall, America by building organisations like NAFTA, is trying to strengthen itself. Similarly, it wants to somehow preserve NATO in Europe.

The biggest challenge to American imperialists and their group is coming from the imperialists of Europe. The European integration going on under the leadership of France and Germany has this as its main goal. They want to challenge the monopoly capital of America and Japan collectively. The collective strength of European Economic Union is at par with America. Though militarily they are still weak and America has kept its domination over them in form of NATO, but this cannot last very long. France and Germany are working in this direction continuously.

But the European Union is also not so homogenous. There are severe contradictions between France, Germany and England. Britain is a reluctant member of E.U. It establishes rapport with American imperialists leaving others aside in the name of 'special relationship'. In the last decade, it has continually played the role of America's strong arm. Between 'pro-Europe' France and Germany there is sharp rivalry on the question of leadership. With the merger of East Germany, the power of Germany has increased further. The role that it has played throughout the last decade in the Balkan area (in the break up of Yugoslavia and its following crisis) is the indicator of its bitter quest for leadership.

Japan is in the third place among them. Though its development has stagnated due to the recession of the 90's, it still is a major imperialist power. It is M.N.Cs/TNCs and especially its monopoly banks are very influential throughout the world. Though due to the military restrictions imposed on it after the Second World War it has been unable to militarily keep abreast with its economic strength, still this strength cannot be underestimated. It is continually trying to increase it. Keeping in view the scientific and technical capability of Japan and Germany, if the need arises they can weaponise, including with nuclear arms, in no time. Japan has kept the number of officers very high in its military, so that when needed soldiers can be recruited and the military can be expanded rapidly.

Besides, Japan wants to bind the Asia-Pacific Rim countries with it through economic integration, as it will help strengthen Japan vis-à-vis American and European imperialists.

The fourth group of imperialists – Russia is still weak. The reason is the continuing crisis after the disintegration of Soviet Union. But because of its military, especially nuclear strength, it remains a big, independent imperialist power. After lying dormant for a long period, under Putin's leadership Russia has started spreading its wings in the last few years. Formation of a group like Shanghai Cooperative Council by joining China and intervention in the Kosovo crisis is indicators of its intentions. Russia is continually trying to strengthen economic relation with constituent parts of

erstwhile Soviet Union. If it succeeds in this, its power will grow very fast. In spite of this, Russia is the weakest of the four groups of imperialists.

These imperialist groups are continually at loggerheads in W.T.O for their respective monopoly capital. Along with it, they continuously try to increase their respective strength through different treaties and regional organisations in the rest of the world.

For the management of all their affairs they have formed the G8. In a way, this is the managing board of the imperialist world. But here too, all are not equal. America is on the top and after that Japan, Germany and France. Below them come England and Russia. Lowest are Canada and Italy. Here also the relationship is not that of equals. According to the general rules of imperialism, relations are of seniority and juniority and hierarchy. Besides these eight, the rest of the imperialist countries are part of the imperialist system and benefit from it. Some among them are aligned to one or the other imperialist power and accept its domination. Some of the powers of Europe are aligned to France, Germany and England in European Union. Though some of these countries are very weak and cannot stand against some of the bigger third world countries, but being a part of the imperialist system they benefit from it and are thus imperialist. Like every thing in nature and society here also there is no clear demarcation but a rainbow like spectrum. In this world at the one end is American imperialism and the other end countries like Grenada and Haiti. From Luxemburg etc. the boundary of imperialist countries becoming fainter and fainter changes into East European countries which in their turn reaches up to Brazil, Mexico, India etc.

A struggle is going on between U.S.A., Germany-France and Russia for the countries of Eastern Europe. Everyone wants to keep more of these countries on its side. The dispute to extend or not to extend the European Union and NATO is a result of this. The result will be decided by the overall interaction of forces involved.

Besides establishing their presence in every place of strategic importance and if possible to establish domination there (like America's in the gulf) the energy crisis has in the last few years catalysed the imperialists to become still more aggressive. Besides other things, the wars in Iraq and Kosovo and Afghanistan are directly related to oil. These places are rich in oil or are close to places from where the oil pipelines from oil fields take their routes. These wars emphatically prove Lenin's words as to how the imperialists fight for the monopolisation of sources of raw materials.

The imperialists, in order to maintain or establish their dominance in any region, continuously try to create regional tensions like Arab-Israeli conflict, Iran-Iraq war, India-Pakistan etc. In this struggle by declaring one party correct or in the name of establishing peace, they get an opportunity to directly or indirectly intervene. Then they make sure their presence and

influence by calling for their puppet the UN to send so-called peacekeepers there. Some of the bigger third world countries participate in this heinous activity out of greed i.e. getting some share.

This brings us to the regional powers of the third world. China, India, Brazil, Argentina, Iran, Indonesia and South Africa etc. are some of the big countries, which happen to be big powers. These countries are in the grip of the same capitalist mental aspirations like the imperialists. The difference is that they do not have the power that imperialists have. They also have monopoly houses but these stand nowhere in comparison to imperialist monopolies. In spite of this, monopoly houses of big countries like India invest capital in more backward countries; they even make investments in imperialist countries. Though this investment is nothing compared to imperialist monopoly investment, yet this is an emerging trend.

These big countries of the third world have tried to establish themselves as regional powers. They have taken various steps to capture the markets of the countries in their regions. Along with political and military pressure, they have tried to develop regional trade and economic organisations. By emerging as regional powers and getting established as regional powers, they have helped get themselves a better bargaining position with the imperialists. Those smaller countries that are under the domination of these regional powers, find that their fight for national liberation is not against imperialists but against these regional powers.

China is one of the emerging regional powers of the third world, which can change the power equations of the entire world in future. Being a permanent member of the security council of the UN will give it an additional weapon for this.

In the balance of power prevailing in the whole world, the contradictions working on a world scale are as follows. At present three basic contradictions are working in the world:

1. The contradiction between labour and capital.
2. The contradiction between imperialism and oppressed nations/countries.
3. The contradiction between imperialists, themselves, and between their monopolies.

With the capitalist restoration in China and Albania, the contradiction between imperialism and socialist countries came to an end for the time being.

The contradiction between labour and capital on a world scale has two parts. One is the contradiction of labour and capital in imperialist countries. The second is the contradiction of labour and capital in third world countries. Though in their nature, both are same but because of being exploiting and exploited countries their position becomes somewhat different. With the contradiction of labour and capital becoming principle contradiction in third world also, an

unprecedented basis has been prepared for the unity of labour and communist movement on a world scale.

Contradiction between imperialist and oppressed nation/countries also has two parts. First are those countries that have entered the phase of economic neo-colonialism. Second are those who are still the victims of neo-colonial oppression. Whereas in the first only through socialist revolution liberation from imperialist exploitation is possible. In the second, the stage of revolution will be democratic revolution in many countries. The second kind of countries are few in numbers and small. Most countries belong to the first category.

Between all the four groups of imperialists and especially between three (USA, European Union and Japan) there is fierce rivalry today. But this rivalry is, today, mainly in the economic sphere and is peaceful. Though in regional conflicts there is proxy war and in places like Kosovo etc. there has been indirect military rivalry but so far this has not taken the form of direct military confrontation. But if the rivalry intensifies, there can be 'armed rivalry' and war can also begin.

So long as there is imperialism and capitalism, war is inevitable. After the Second World War, in the wars started by or instigated by imperialists (in this or that way) more than two crore people have lost their lives. Only in the last 10 or 12 years in Gulf, Kosovo, Afghanistan etc. imperialists have killed more than 20 lakh people. This bloody campaign of theirs keeps going on and will continue so long as imperialism is present. However, presently the war among imperialist countries i.e. world war is not imminent.

Today among the contradictions prevailing on a world scale, the principle contradiction is that between labour and capital. Though the labour and communist movements are today very weak and capital is ascendant, still the struggle between them is providing the momentum to the world. Not only this, only with the resolution of this contradiction can the world further advance. The second contradiction will also be resolved through this.

The contradiction between labour and capital is more intense in the third world countries. There crisis is the deepest. The eruption of socialist revolutions will first take place here. Still the possibility cannot be denied that in some of the imperialist countries revolution may erupt.

With the outbreak of socialist revolutions in countries of the third world, this front of imperialists will be breached. They will get a severe blow. Due to this, crisis will deepen in imperialist countries. This crisis will in the end transform itself into a revolutionary crisis and socialist revolutions will bring down imperialism. The days of the liberation of humanity will come closer.



Today we have to unite all revolutionary forces and strike at this target. But we have to keep in mind one thing. We are living in the age of imperialism and proletarian revolutions. But now, for the present, imperialism and capitalism is dominant in the whole world. The crisis of this imperialist-capitalist world is continually increasing. The working class and other toiling masses are all along struggling against it. In the last decade, especially after mid 90s these struggles have continually increased. But so far these struggles have been defensive; to protect earlier victories. These struggles are not in a position, at present, to be able to push back the imperialist-capitalists. We still are not in the midst of that revolutionary crisis when the ruling class is unable to rule in the old way and the ruled refuse to be ruled in the old way. This is the main objective reason for the weakness of subjective forces of revolution. On a global scale, when this revolutionary crisis will come, cannot be foretold. But to mobilise the revolutionary forces for that day, to prepare working class and other broad masses for that time and for this purpose to organise strong communist movement in the country and on a world scale is our main task today. We should start from here and put our hearts and minds to this work.

## **NATIONAL SITUATION**

In the last one and half decades there have been a lot of important changes in the economy, politics and culture in India. These changes have added many new dimensions in the social reality of India and a lot of old issues have now become unimportant. These changes has brought a lot of new tasks before the Communist revolutionary movement of India and these changes are also affecting a great many old tasks. To take cognizance of these, determine these in their totality, to define the present national situation of India and to determine our strategy and tactics accordingly is our requirement.

The present new situation is inseparably connected with the old and in many cases it is only the development of the old. The new elements, which are being observed here, also have their roots in the Indian society. The international situation and the changes in that situation have definitely played a role, but the internal dynamics of the Indian society have played the main role

in the development of these new elements. The viewpoint which subscribes that the disintegration of former Soviet block or the capitalist reversal of China or such other external incidents are basically responsible for changes in the economic-political-cultural scene of India, expresses a shallow understanding of the history and a negation of the basic laws of dialectical materialism.

In contraposition to this, the analysis, which places the changes in Indian society during 90's in the same category as in 60's or 70's and does not identify any difference in their direction or character, is also wrong. Such analysis ignores the new truth; it is the repetition of the old and is dogmatic. This analysis does not explain correctly either the old situation or the new. According to this, India was under the yoke of imperialist rule before 1947; it was under the yoke of imperialist during the period from 1947 to 1990 and after 1991 it has again gone under the yoke of imperialist rule. In this journey, from bondage to bondage, this analysis ignores the different levels of bondage, the noticeable twist and turns of the society. So, on this basis, in India, communist movement prior to 1947, communist movement during 1947 to 1990/91 and communist movement after 1990/91 has almost same type of tasks – anti feudal and anti imperialist tasks. According to this analysis, it seems that the 20<sup>th</sup> century does not have any meaning for the Indian Society that the tasks have not changed from the end of 19<sup>th</sup> century to the 21<sup>st</sup> century.

Unfortunately, both these wrong analytical methods exist parallel to each other in our communist revolutionary movement. The first tendency defines the post 1990/91 phase of India as a situation of re-colonisation, whereas according to the second tendency, Indian history has been moving in the same direction without any noticeable turn from the period of Union Jack till today. The only change that has taken place during this period is in the speed of the quantitative change of society; sometimes the speed is fast, sometimes it is slow. In our movement, the influence of second trend is much more than of the first type. Metaphysical analysis as well as dogmatism, both, are not methods of analysis of Marx-Lenin-Mao and these should be abandoned.

To understand the present Indian society correctly, we have to see all the basic and main contradictions operating in this society in their motion and in their mutual relations. The present India is being built by the action-reaction of these contradictions and only by consciously influencing and changing the development/decay of these; one can go ahead towards building an exploitationless, classless society.

# I

## **Contradictions in Indian Society**

All the basic contradictions active in the world are also active in Indian society with more or less intensity. The classes, factions or forces representing these both opposite aspects in Indian society are present.

The contradiction between capital and labour is a basic contradiction of Indian society. Its motion has exerted a decisive influence on the content and structure of Indian society in the last three decades. Its existence and development during this period has directed, most profoundly the economy, politics and culture of India. This contradiction has exerted maximum influence on the development of all other basic, minor & major contradictions. Today also, it is the principal contradiction of Indian society. Capital is its aspect primary and labour is its secondary aspect. If we talk about the contradiction between the productive forces and production relations in Indian society, then today class expression, in most acute form, of this contradiction, is in the same basic contradiction between capital and labour.

The contradiction between imperialism and the Indian people is the second basic contradiction of Indian society. For the last one and half decades its role has increased tremendously. But it is still not the principal contradiction of the Indian society. Imperialism is the principal aspect of this contradiction. Increasing influence of imperialism has strengthened capital, the principal aspect of the principal contradiction, whereas the strengthening of the capital has helped to increase the influence of imperialism. The symbiotic motion of these aspects of both these basic contradictions has brought major changes in Indian society during the 90's.

The contradiction among the imperialists is also active in Indian society. But its role is not as significant as the above mentioned two basic contradictions and it is not a basic contradiction of the Indian society. There has been a great change in the nature of this contradiction during the end of the 80's and beginning of the 90's—when one of its pole, Soviet revisionism disintegrated. Due to this disintegration, the contradiction has been resolved in the favour of American Imperialism and this change has temporarily placed the imperialists in a phase of relative collusion, in place of bitter contentions, with each other. Due to such an important change in the nature of inter-imperialist contradiction, American and other western imperialist forces have got the opportunity to extend their influence in India. The temporary collusion among the imperialist

forces—that is, the reduction in the acuteness of this contradiction has weakened labour's and Indian people's relative position in the balance of class forces within India.

Generally speaking, in the last one/one and half decades, the dynamics of these three contradictions have been against the working people of India. Since during this period the basic contradiction between socialist countries and imperialist countries became non-existent, the conditions of the working people of India have become more acute.

Along with the above mentioned basic contradictions, there are many other major contradictions which are playing important roles in determining the total movement and structure of the Indian society.

The contradiction between Indian capital (monopoly and non-monopoly) and imperialism is one of them. It started entering to a new stage from the first half of the 80's and this process was completed by the beginning of the 90's—when the collusion between Indian capital & imperialist capital replaced contention between the two for the domination of the Indian economy. The presence of imperialist capital in India continued after 1947, but from the middle of the 50's, the main factor in the relation of Indian capital and imperialist capital was that the Indian capital was trying to achieve a total control of the whole of the national market and this gave rise to contention between the imperialism and the Indian capital. This had been going on within the Indian economy of that time, which had limited autarky with imperialism. Indian capital started loosening its policy of total control (which was never complete) of national market from the first half of 80's and in the beginning of the 90's. It abandoned the old Mahalanobis-Nehru model and accepted the state of integration with imperialism. This integration of Indian economy with imperialism is a long drawn process. Contention or collusion of Indian capital with imperialism, now will take place only within this general integration. At present, the tendency of collusion is dominant. But in spite of entering in the present state of collusion, this contradiction exists and there is every possibility of its re-entry in the state of contention with changes either in the international or in the national situation. In this condition, it is wrong to assume the contradiction to be non-existent or the state of collusion to be permanent.

The contradiction among different sections of Indian capitalists exists in many forms and at different levels as a major contradiction. This contradiction greatly influences the Indian society. The grouping is occurring mainly between the industrial—urban capitalists and the rural capitalists (kulaks) or between central and regional bourgeoisie or between monopoly and non-monopoly capitalists concerning questions of reservation/license etc. or the questions of development of public sector or disinvestments of public sector. Planning Commission and parliament/assemblies

have been the main places where these conflicts were resolved. This contradiction between the Indian ruling classes was present in a different form during the 50's and the mid 60's. Then, the feudal-landlords were also present as a main section in this tug-of-war. At that time, this was not present as a contradiction only among different types of capitalists. It was quite appropriate at that time to define this as a contradiction among the ruling classes of India. But with the emergence of capitalist- landlord and the rural-capitalists and the gradual weakening of the feudals/zamindars, there occurred a great change in the nature of this contradiction and at the beginning of the 70's, it became a contradiction among the Indian capitalists. In the last one and half decades, the motion of this contradiction has weakened the condition of the monopoly bureaucratic bourgeoisie in the public sector & the rural capitalists and the non-monopoly bourgeoisie, and has favoured the monopoly bourgeoisie in the private sector.

The contradiction between remnants of feudalism and the broad masses is also a major contradiction in the Indian society. During the 40's and the 50's, the contradiction between feudalism and the broad masses was a basic contradiction; it was determining the events of that period. But now, it has lost its old position and now it is not a basic contradiction in our society. Now, the contradiction between the remnants of feudalism and the broad masses may be considered only as a major contradiction. It expresses itself both in the field of economy and of politics-culture. It has stronger manifestation as backward patriarchal, religious, caste, and other undemocratic values in the political-cultural realm than in economy. These feudal remnants exist due to the incomplete democratic revolution in India and the possibility of transition of this contradiction from major to minor is very bleak in the present condition of the basic contradictions i.e. the condition of domination of capital & imperialism, although the long term historical tendency lies in this direction.

India is a multi-national country. Many nationalities are oppressed in this country. The contradiction between these oppressed nationalities and Indian state power is one of the major contradictions. It has come into existence with the development of Indian capitalism. It is a capitalist phenomenon, not a feudal phenomenon. Today none of the poles of this contradiction represents feudal ideology or proletarian ideology. It has different types of capitalist ideologies in both the poles. The resolution of this contradiction lies in the right of complete self-determination (up to the right of secession) for the oppressed nationalities. This contradiction will be irresolvable as long as capital remains the principal aspect of the basic contradiction between capital and labour and it will continue to give momentum to Indian society. Besides the struggles of different

nationalities against the Indian statepower, this contradiction is also manifested in the disputes of centre-province relations (lack of federalism in the state system, etc.)

Along with the above mentioned basic and major contradictions, there are some important contradictions, which are neither mutual contradictions among the enemy classes of the revolution nor the antagonistic contradiction between enemy classes and friendly classes of the revolution. These are the non-antagonistic contradictions among the Indian people, which the ruling class uses for its own class interests. The most important among these are the contradiction among different castes, contradiction among different religious communities, contradiction among different tribes, contradiction among the tribal people and non-tribal people, contradiction between men and women and contradiction between different linguistic or national communities. Despite belonging to the same category because of their non-antagonistic character, the nature of all these contradictions is not the same. In some cases, the relation between the traditional oppressor and the oppressed is very clear-like the relation between the upper castes and the lower castes or the relation between men and women. In some cases, this difference is not very clear as in the relation between the religious communities. Some religious communities are clearly oppressed but the rival community is neither traditional oppressor nor in the present, as a community, it is oppressor. In some cases there is no existence of oppressor-oppressed class division, like in the linguistic, nationality or tribal disputes. These are all very subtle and complex phenomenon and these create obstacles in the development of revolution. To continue the reactionary nature of the present Indian society, the ruling class uses these contradictions, substantially. These non-antagonistic contradictions among the people have important role in shaping the present nature of Indian politics and culture.

Considering, the base and superstructure of India, the speed of the capitalist transformation of non-state portion of superstructure is relatively slower than the speed of development of capitalist relations in the base. Many contradictions, generated in the process of capitalist transformation of superstructure and its backwardness with respect to base, give rise to disputes/problems among different sections of Indian people. Likewise, the contradiction between feudal remnants and the broad masses is also another manifestation of contradiction between base and superstructure.

Besides the above-mentioned contradictions, there are many other minor contradictions. As a result of the total action-reaction of all the basic, major and other minor contradictions, the present Indian society is in existence. To objectively understand the present national situation of India, it is essential that all contradictions should be understood in their dynamism and inter-

actions, inter-relations and motion. Only on the basis of such an objective understanding of the national situation, can we decide a correct strategy and tactics for Indian revolution.

## II

### Base

The economic reforms which were started in 1991 are having a great impact on the life and class relations of Indian society at the beginning of 21<sup>st</sup> century. To overlook this impact and take these reforms as only the implementation of old economic policy with more momentum is not only a manifestation of wrong understanding of the social reality but it also reduces the practical flexibility and creativity of communist revolutionaries. These reforms are a turning point in the inter-relations of Indian economy and imperialism. At the same time, that Indian economy was starting to integrate with imperialism, the contradiction between the Indian capitalist class and imperialism entered a new phase—the phase of collusion—although this had already begun in the 80's. Due to this change in the phase of contradiction between the enemies of working class—collusion in place of contention—exploitation and oppression of the ruling classes have increased enormously. Along with this, for the time being the situation has become more unfavourable for the liberation struggle of Proletariat and other toiling classes. The failure to take cognizance of the importance of the changes in the inter-relations of imperialism (especially the American imperialism) and Indian capitalist (especially monopoly and urban capitalist), does imply that we (the proletariat) have not tried to utilise this contradiction in favour of our struggle in the past or we are not changing our activities in accordance with the changed situation of the Indian society (especially, increasing influence of imperialists and exposure of anti-national class-interest of indigenous capitalist) and that instead of leading we are exhibiting tailism.

Conversely, it will be equally wrong to exaggerate these changes and to think that after 1947 these are the most important changes in the Indian history; so important in that India will again be a colony and the Indian bourgeoisie is transforming from independent into dependent comprador. To conclude in this way means ignoring the contradiction between Indian bourgeoisie and the imperialism. This wrong theoretical proposition will lead to a practical implication according to which the imperialism will be considered as the main enemy and the communists will be concentrating most of their energy against it because in their consciousness

Indian rulers will be reduced to mere 'puppets of imperialism'. In that case, we will be slackening our struggle against (which is generally the main struggle) the Indian bourgeoisie. This wrong proposition will make us soft towards bourgeoisie nationalism and consequently other class-collaborationist deviations will creep in.

To understand the present reality of Indian society correctly, we have to understand the main currents of Indian history over the last half century. To do this, it is helpful to divide the history of the Indian economy after 1947 into three phases.

## **1947 to 1954-55 phase:**

### **From colonial shadows, towards bourgeoisie liberation**

With respect to changes occurring in the structure of Indian economy due to reforms of the 90's, the changes which occurred four/five decade back, in this phase, were much more basic in character. The effects of those changes on social life was much more longstanding, durable and widespread. The structural readjustment which occurred during this phase replaced the age old mode of production with a different and new mode of production. The reforms of this phase cleared the path for the establishment of capitalist mode of production in place of the colonial and semi-feudal mode of production.

In 1947, Indian state power had been transferred, under a deal, from British colonialists to the Indian bourgeoisie and landlord class. At that time, the contradiction between British colonialism and the Indian people and the contradiction between feudalism and the Indian people were the basic contradictions of the Indian society. The first one was the principal contradiction. The transfer of power occurred only when Indian nationalism had already emerged as the principal aspect of this contradiction. The transfer of power tilted this contradiction in favour of Indian nationalism and pushed imperialism back.

Leninism rejects the mechanical proposition that in the age of imperialism, colonial and semi-colonial countries cannot attain political independence without a series of revolutions. Like any other phenomenon, Leninism accepts the diversity of forms in the phenomenon of national liberation. In its analysis Leninism takes cognizance of at least two forms of national political



freedom—first, national political freedom outside the limits of imperialist bondage; second—national political freedom within the limits of imperialist bondage. According to Leninism it is impossible to attain the first form of political freedom without a series of revolutions. Citing the example of Norway, Leninism has accepted the feasibility of politically free states within the limits of imperialism. With respect to National Liberation phenomenon, Leninism differentiates political independence from economic independence and opposes any intermingling of these two. It has a clear opinion that a country can become politically independent and sovereign in spite of its economic bondage to imperialism.

During the IInd World War and upto the end of the 70's, a continuous series of revolutions and revolutionary struggles had created such a worldwide condition that oppressed countries could acquire real political independence. This history presented examples of political freedom in its both forms-political freedom outside the limits of imperialist bondage and political freedom within the limits of imperialist bondage. Countries like China and North Korea are examples of political independence outside the limits of imperialist bondage. Countries like India or Indonesia are the example of attaining political independence within the limits of imperialist bondage. In 1947, independence attained by India was very weak which had actually no meaning, but it became real by 1954/55. Bandung conference of 1955 in which the People's Republic of China also participated, was a meeting of countries who had got real political independence and its main aim was to oppose imperialism collectively. Actually, the task of strengthening India's weak political freedom into real political freedom had been completed by 1951. Indian bourgeoisie took a number of political and economic steps during the first half of the 50's to strengthen recently acquired independence.

To expand the political independence, the Indian capitalist class, on the one hand, made friendship with American imperialism-the rival of British imperialism, and on the other hand, tried to utilise another basic contradiction of the world —contradiction between the imperialist camp and the socialist camp, took initiative in recognizing the anti-American People's Republic of China and extended hands of friendship with socialist camp. International situation—losses of European imperialist powers in the IInd world war, emergence of the socialist camp, tide of national liberation waves in Asia-Africa etc.—was very much favourable for the Indian bourgeoisie to get a opportunity to strengthen its weak-unreal political independence within the limits of the imperialist frame. Under Nehru's leadership, at that time, Indian bourgeoisie very efficiently framed its foreign policy and resisted the imperialist pressure (especially the pressure of the British imperialism) upon itself.

Along with the foreign policy, Indian bourgeoisie also consolidated its position in its internal politics. Using the basic contradiction between the feudalism and masses in its favour, the capitalist class strengthened its position in the Indian society and expanded its political base. Ending of political autonomy/independence of 570 princely states and the strengthening of its central power was one of the important steps. On the one hand, to crush the resistance of these nobles, Indian bourgeoisie went to the extent of military operations against them, on the other, it did not allow the development of single mass movement for the resolution of this basic contradiction and whenever this happened it was crushed ruthlessly. But to crush the rival classes, who were demanding share in the social surplus or to crush the political resistance of the enemy classes who were not ready to give up their surplus was not the only aim of the Indian capitalists; they also wanted to increase the quantity of the surplus value for them. The semi-colonial and semi-feudal form of economy was not sufficient for the fulfillment of this aim, rather it was an obstacle. Indian bourgeoisie changed its structure, reconstructed it. But to do this, they did not go to the extent of crushing the feudals. Displaying concessions-softness towards landlords, rather succumbing to their resistance-pressure, the capitalist class effected a capitalist transformation of Indian agriculture. Feudal landlords were given full opportunity to transform themselves into capitalist landlords/farmers. Even after the end of their independent existence as princely states, these feudal-landlords were a significant force in the base and superstructure and they continued to influence the policies of India's bourgeoisie. Only after a long time taking process could they be gradually assimilated by the capitalist class.

In order to free the economy from the clutches of the imperialists and to concentrate it in their own hands, the Indian capitalist class, in the initial phase, built up a control mechanism for economy instead of putting direct obstacles in the path of imperialists. They had inherited some mechanism of economic control from the English, which they developed further. The most important of these was the revenue system. Keeping loose the land-revenue aspect, the Indian capitalist class developed its other sectors like excise, sales tax, customs etc. In the subsequent years the revenue collected by this system played an important role in the capitalist development of India. To establish financial control over the economy, Reserve Bank was nationalised in 1948. Besides regulating the currency flow, Reserve Bank framed the loan credit-debit policy for the commercial banks and other financial institutions under the overall planning of capitalist development of the country. In 1955, the Indian capitalist class nationalised the largest commercial bank, Imperial Bank (they established State Bank of India out of this) and by this

measure increased its control over financial system. Subsequent nationalisation of other big commercial banks in 1969 changed the financial structure of the old system decisively.

To advance the economy along the capitalist road, another important institution in the form of the planning commission was formed in 1950. It was placed under the direct control of the Prime Minister. By adopting the Five Year Plan Soviet model, the Indian capitalist class gradually limited the role of imperialist and feudal elements in the Indian economy. There was acute shortage of funds in the first Five Year Plan, so it did not produce much effects on the economy. But, during the 2<sup>nd</sup> Five Year Plan period, the Indian capitalist class gained capacity to directly restrict and bar the imperialist activities in the economy and after 1955, they did take some steps in this direction. Along with the Five Year Plan, they skillfully utilised the populist anti-imperialist slogans and were able to attract many intellectuals and idealist citizens to their project of building an economic system in line with bourgeoisie class-interests.

Besides the expenditure under the Five Year Plans, the Indian state had a large share in the economy of the country. The total expenditure—sum of the plan and non-plan expenditures of the central and state governments—was about 20% of GDP. Such a big buyer of the products and services could very easily, as a buyer only, start controlling the economy. The central and state governments of India, along with the budget expenditure, regulate the economy also by revenue collection decisions and other policy related decisions. It was a big achievement for the Indian capitalist class to establish such control system to serve its class interest.

Scarcity of fund and lack of modern science-technique were the two big problems of the Indian capitalist class in the first phase. Instead of acquiring capital through the confiscation of wealth of the kings, feudal lords and the temple-lords, and taking the risk of completing the democratic revolution to clear the path for the development of science and technology, Indian capitalist class took the safe policy of collusion with the imperialism. For this collusion, it was necessary that the Indian government should not take any radical nationalist steps in 1947. Indian capitalist avoided confiscating the property of the British, American or other imperialists companies; instead they gave them concession in different ways. In this way, it was not possible to come out from the clutches of the imperialism. But to overcome this weakness, in this phase the Indian capitalist class adopted a policy of expansion of its foreign alternatives in the development of the basic industries and infra-structure—the example of which are the steel industries and advanced technological institutes.

Agricultural development and land reforms were the most complex problems for the Indian capitalist class. There was strong division on this question in the central cabinet, planning

commission, provincial assemblies everywhere among the Indian politicians and bureaucrats. Development of agriculture through land reforms or through the advancement of technology were the two basic opposite sides of the debate. Ultimately, the debate was resolved in favour of the reforms in technique. In other words, direct attack on feudalism was avoided, a policy for the gradual development of the capitalist production in agriculture was adopted, and an opportunity was provided to the feudal lords to transform themselves into capitalist landlords/farmers. The successful result of the policy of gradual weakening of feudalism and to replace it with capitalism through institutional agricultural loan, development of rural market and purchase of agricultural products at support price by the government, encouragement for the use of modern technique—like irrigation system, use of hybrid seeds, fertilizer, pesticide, tractors machines etc. is now in front of us.

By the middle of the 50's, the power and self-confidence of the Indian capitalist class attained such a height that it could take direct protectionist steps to weaken the imperialist influence in India. The basis for protectionist steps of the 2<sup>nd</sup> phase had already been prepared by the basic economic changes in the first phase.

## **1955-56 to 1990-91 Phase:**

### **Creation of a protected national market**

Just like 1990/91, India had faced the crisis of (foreign currency) balance of payment in 1957. At that time, Indian ruling class, to solve the balance of payment crisis showed a reaction, which was just opposite to what they showed in the policies of 90's. At that time and for the next three decades, to solve its crises the Indian capitalist class followed a mainly nationalist policy. The import policy of India was very loose and liberal upto 1957. At that time the reaction of the Govt. was towards tightening this, imposing import restriction and increasing custom duty. Import controls were based more on restrictions rather than putting tariff barriers. The import of all products which were being produced in India was banned. Only those products, which were not being produced in India, were outside the purview of the ban. But import of even items required license from the government. One of the conditions for getting license was that the imported item would be used for production units, there should not be any trading of imported items. Normally, import of consumer goods was impossible, only capital goods could be imported. Even imports of bulk items such as petroleum, fertilizers, food grains, metals, medicines, without which the

economic activity was impossible were under the government monopoly and were canalized. The result of such a restriction on the sale of foreign goods in India created a protected national market for the Indian capitalists.

Another speciality of this phase was that to improve the wretched condition of this national market and to balance it, Indian state put more control on capital flow and capital investment. The important step in this direction was the nationalisation of life insurance business in 1956 and by 1972; nationalisation of the rest of insurance business was also completed. By the end of this phase, 90% of the bank-capital was nationalised and only less than 10% of capital was owned by 52 private banks (including 18 foreign banks). But, this investment was also controlled by Reserve Bank's policy (Another equally significant thing is the expansion of banking system in a planned way). Whereas at beginning of the 60's, there was one bank for 88,000 Indians, it became one bank for 12,000 by the end of 80's. This large network had made it possible for the Indian capitalist to collect the savings of the whole country. Along with this, it tried to keep a balance in the economic development by the directive policies of Reserve Bank and by the 121 regional rural banking networks regarding loan disbursement. MRTP Act of 1969 and the previous license policy, had managed, that along with the private monopolies, small and middle level capitalist should also get a chance to exploit. The FERA of 1973 had restricted the penetration of imperialist finance capital in Indian economy and protected the right of the Indian capitalists to extract surplus value from Indian economy.

Apart from the personal greed of the individual capitalists the long-term interests of the Indian capitalist class as a whole, demanded stability of the Indian economy i.e. taking appropriate steps so that starvation or pauperisation did not give birth to revolts or revolutions. Due to the inherent anarchy of the capitalist economy, many a time, this type of situation arose when masses took to the streets. In such specific situations the Indian state very promptly took administrative steps to curb the activities of hoarders of much dear commodities. For the effective handling of these types of situations (and also for balanced economic developments) in due time a full system of administered prices came into existence. From medicine to cement, and from sugar to petrol- the all-pervasive control regime was creating obstacles for the entry of the imperialists in the Indian economy.

The Indian capitalist class attempted, to a great extent, to solve two important problems for the mitigation of the crisis of its economy and speeding up of its development. First one was the problem of food grains and the second one was that of scarcity of capital goods. However partially, both the problems could be solved it was due to the effective intervention of the state in

the economic activities. Steps taken were improvement of techniques in agriculture, which was stagnating almost at the same productivity level for centuries, capital investment in agriculture, purchase of agricultural products at government support price and stocking of 1.5-2.0 crore tons of food grains in FCI godowns. By this, the problem of prostrating before imperialist countries (especially America) during the periods of famine and the problem of their intervention in Indian economy was solved to a great extent. For the second problem, state power encouraged education in science and technology in India. As a result, India now stands third in the world with regard to the number of scientists and technicians. With their help and with collected revenue, capital goods producing industries like SAIL, HMT, BHEL, BEML, BEL etc. were established in public sector. The success of this sector contributed in building up a closed, self-centered, and to a great extent self-sufficient economy for Indian capitalist class. If we want to take a comparative look of capital goods production, the production of locomotive engine will be a good standard, Only 4% of the locomotive engines used in India was produced in India during British period, 80% was imported from Britain and the remaining 16% from Germany or America. Today, India is more or less self-sufficient in its production—rarely do they have to be imported. To measure the technological development—space research-satellite and missile production is a good barometer—where half of the parts are purchased and other half is produced indigenously. The main point is that in spite of the atmosphere of imperialist pressure the Indian capitalist class has been more or less successful in balancing the consumer goods sector and capital goods production sector. After the nationalisation of the assets invested in mining sector by the imperialists, in 1973, the nuclear explosion of 1974 in Pokhran was the celebration of success, which Indian capitalist class had achieved in the technical field. In spite of all these developments, rate of development of Indian economy hovered around 3.5% only.

The level of autarky the Indian capitalists have gained within the world imperialist system can be deduced from the fact that the 'law of one prices' became inapplicable in India and any change in world price could be felt through the increase in production cost of other commodities, not directly and immediately. There was a sharp increase in oil price in the world market during October 1973, but its effect had been felt in India through inflation during the 1974/75 financial year, i.e. 6-8 months of 'economic lag' had come into existence. During the period of extreme protection of the national market, in 1980/81 the export was only 4.2% of GDP and import was below 9.2% of the GDP. In other words, Indian capitalists were sitting closeted with a large share of Indian market and their dependence on the international market for the sale of their commodities was quite limited. The character of the export and import of goods is also a

manifestation of the tendency to reduce the dependence on imperialists or to increase autarky. In 1980/81 imports of petroleum products was 42% of the total import whereas capital goods import was 15%; sum total of the both was more than 50% of total import. That is, the import was mainly limited to compulsions. During 1980-81, the share of industrial goods in export was more than that of agricultural products and minerals. The share of agricultural product/mineral was less than 38% whereas the share of industrial goods was more than 55% which means that although export from India was less, it was not only the raw materials that were exported (at the same time it needs to be recognized that these export goods were produced by inferior techniques, and were not capital goods or weapons). At the beginning of third phase in 1990/91, the share of industrial goods in total exports had reached around 73%.

But it did not mean that the Indian capitalist class was unanimous about this control-oriented/import substituting centered economic development model. Almost at every step, every decision was marked with disputes and after the death of J.L. Nehru in the 60's, contradiction and dissent between different sections of the monopoly capitalists started to come to the surface. Demand for the abolition of license-control was voiced strongly at that time and it continued through the 70's and the 80's. In any controlled capitalist economy it is quite natural that there will be opposition, against control, by many individual capitalists. It can be also observed in the strongest capitalist economies. There is no reason to take this as proof of the fact that those who are anti-control are the comprador of the imperialism and pro-control capitalists are nationalist. In spite of different factions, the policy of the Indian state power has been always in favour of the broader interests of the entire capitalist class and not in favour of a particular faction. The economic policy of the Indian state have been influenced by imperialist pressure and Indian capitalists have to take into account the international power balance, but their policies (and changes that took place from time to time) has always been decided by the necessity of Indian capitalist class. The economic crisis of 1965/67 was very acute and serious. The recommendations to open and liberalise the economy were already given by World Bank appointed Bell Commission in August 1965. At that time, the Indian government had signed an agreement with World Bank for a non-project loan of 90 crore dollar per year for the next few years to meet the crisis of balance of payments. In order to meet the conditions of the World Bank (which the Americans and IMF were openly supporting), the greatest devaluation of rupee in the Indian economic history took place—value of rupee came down from Rs. 4.76 per dollar to Rs. 7.50 per dollar (devaluation is 36.5% for dollar per rupee or 57.6% rupee per dollar). But in spite of the acute food crisis, basically primary nature of exports at that time and other economic weaknesses,

barring some temporary relaxation the Indian capitalist class mainly followed their autarkic model and in fact the strongest protectionist steps were taken during 1969-74 years. This happened because at that time the Indian capitalist class was in favour of protected development of its home market.

Without clearing feudalism from Indian society, and compromising with it and without liberating peasantry from feudal chains, the Indian bourgeoisie has chosen that path of capitalist development, which was condemned to be crisis-ridden from the very beginning. More worse thing was that it did not make a fundamental rupture with imperialism. It had adopted the path of limited autarky within the world imperialist framework. Due to all these, whatever capitalist development could take place, had to be very slow and it had to be move forward, limping from one crisis to another. So, from the very beginning, the capitalist model (with limited autarky) of the Indian bourgeoisie was destined to be crisis-prone, rather continuously crisis-ridden.

But, by the middle of the 80's, it had became clear to the Indian capitalist class that by trying to remain autarkic from the imperialists, they could not develop their economy further and that the Nehru-Mahalanobis model was failing to resolve their permanent crisis. They felt that neither the international situation was in their favour nor this model had enough strength to open the road of rapid development of the Indian Bourgeoisie free from imperialism. Under the circumstances the Indian capitalist class, out of its own internal necessity took decision to relax controlled-protectionist economic model in its policy from seventh Five Year Plan (1985-90). In May 1984, just before this policy decision, Indian government had once again put stress on the old policy (autarky within imperialism) by refusing the last installment (\$1.10 billion) of \$5 billion loan from IMF. Before the disposal of Nehru model and for the first-time (from 2<sup>nd</sup> Five Year Plan to till then) in, preference was given to private sector rather than public sector in total plan expenditure—share of public sector was reduced to 47.8%. Other important decision were—foreign trade policy was declared for the next three years in which custom duties were reduced from 105% to 45% for imports of capital goods for projects, and the import of this type of capital goods or raw materials are removed from restricted list and placed in an open general list. 50% relief was given on the profit from export and export duty was exempted for cotton, ferrous metal and manganese metal. Electronic sector was opened for foreign investment. Investment in 25 categories of industries was removed from licencing and the limit of MRTP was increased to Rs. 100 crore. The importance of these decisions in Rajiv Gandhi's period was symbolic. These were the manifestations of changing mindset of the Indian capitalist class for its own class interest. These steps did not mean that the Indian capitalist class had abandoned the controlled-



protectionist model in the mid 80's—discussion of disinvestments of profit making public sector companies was a crime at that time, or complete freedom for investment by the multinational companies or the question of complete opening up of foreign trade was also unthinkable. Free market system model was adopted by the Indian capitalists in the nineties only.

Autarky has its limit within the framework of imperialism. Even if the Indian capitalist class had exerted its whole strength, it would not have been able to cross the limit. At the times of crisis, the Indian capitalists had been going to the imperialists with folded hands and getting its arms twisted to receive imperialist assistance; even for their general development, they were dependent on imperialists to a certain extent and during this whole phase they could not get rid of this dependence. In spite of all the nationalisation and control, there were branches of foreign banks working in India. In the 80's, there were 52 private banks owning 9% of the banking capital. Out of these, 18 were foreign banks who just like other private banks did their business by adhering to RBI rules and regulations. Similarly there had been also direct foreign investment in the industry. In 1980, there were around 6,600 companies in India where fully or partially foreign capital was invested (total \$2.8 billion) and in 1990 there were 13,400 companies with either full or partial foreign capital investment (\$1.9 billion). Besides foreign private capital investment in finance and industries, the Indian bourgeoisie had been taking assistance from the imperialists even for their general development. Indian government signed an agreement for 5 billion dollar with IMF for the sixth Five Year Plan (1980-85). However, the Indian government did not draw the third installment and managed by internal resources. This also expresses the limits of autarky. Besides capital investment, loan (short term and long term, both) technique was such a matter for which Indian bourgeoisie had to knock at the doors of imperialism a number of times. In spite of all the encouragement to indigenous entrepreneurship supplied by the import-substitution policy and the establishment of R&D institutions by the state, India could not develop self-sufficiency in the field of technology. The Indian capitalist class could develop its economy only by opening its door to some extent for the capital goods imports. This inability in developing higher technology within the country forced it to make compromises with the imperialism.

Being a part of world imperialist system, the imperialist pressure on the Indian bourgeoisie was enormous. Imperialism was not prepared to accept the limited autarky of the Indian bourgeoisie. It would employ thousands of methods/tricks to finish this autarkic condition, and at times it succeeded in undermining it. India's weak capitalist class, in turn, used its state power to resist this pressure, it tried to take advantage of the contradictions amongst the Imperialists, and it also tried to use the unity of the newly independent countries to this end. That is why state-

loans were such a large portion of total foreign capital in India. But despite all this India's capitalist class could achieve only limited success in this endeavour. All put together, it could not avoid being a victim of the imperialist network.

## **From 1991 to the present phase:**

### **Free market capitalism**

From the middle of 1991, the Indian capitalist class initiated structural changes in the economy. It started moving towards a different capitalist model—'free market system' leaving the controlled-protectionist model, which had been created by the capitalist production process of 3½-4 decades. Initially, the capitalist media and the capitalist economists gave the general clarification that this was necessary for the Indian economy to recover from the crisis, which was mainly a crisis of balance of payment. To ascribe, difficulty in fulfilling the international obligations of the Indian government as the only factor giving birth to this significant change reflects a very narrow outlook. This type of understanding is normally wrong and leads to conclusions of a nationalist nature.

It was true that during the summer of 1991, the Indian capitalist class was facing an acute economic crisis and the difficulty of the balance of payment was also severe. The Indian government had only about 1.0 billion dollars foreign currency (for import for only two weeks), and international creditors were not ready to give any loan. There was unprecedented increase in foreign debt during the 80's—it increased from 21 billion dollars in 1980/81 to around 83 billion dollars in 1990/1991. The nature of the debt was also quite threatening. Long-term non-governmental private loans increased from 28% to 41%, in long term loans the portion of the loan on variable interest rates had increased from 11% to 19% and the average period for repayment had reduced from 27 years to 20 years. Inflation was more than 10%. Financial deficit of central government (touching the level of late seventies), had reached around 10% from 4.5% of the G.D.P. In totality, Indian economy was in a very critical and unstable situation. But this situation was not unprecedented. Indian capitalist class had faced similar or in many ways even worse crisis in the past; first in 1966/67, then to an extent in 1974-75 and again in 1979/81. Actually, Indian bourgeoisie had acquired adequate experience and efficiency in handling the different types of crises.

But this time Indian bourgeoisie adopted a different strategy in handling the crisis of 1990/91. To come out of the immediate financial crisis, in conformity with the general bourgeois economic logic and established tradition it cut government expenditure, reduced availability of loans, devaluated the rupee by 19% in comparison to international currencies, and to reduce imports, administrative restrictions and barriers were raised, etc. According to its own character, IMF had sanctioned loan with conditionalities and imperialists had created pressure to weaken autarky. Under the previous strategy, the Indian capitalists would resort to autarky from the imperialists as soon as the financial crisis had started lessening and the economy had attained some sort of stability. But, this time instead of autarky from the imperialists, the Indian capitalist class moved towards globalisation. This time controls were increased in many sectors as usual, but in many sectors controls were loosened up. The most important thing was that by the end of 1992, when economic stability had been clearly attained, even then the Indian capitalist class did not turn back to its general nationalist policy. On the contrary, it initiated the reduction of autarky, activation of market forces by relaxing control and anti-public sector 'new economic policy' (the decision, in principle, had already been taken in the summer of 1991). Therefore, the attempt to explain the series of reforms after 1990/91 as the reaction to the financial crisis not only reflects a narrow outlook but is also wrong analysis.

Even if there was no financial crisis in 1990/91, even then the nineties decade would have been a decade for the Indian capitalism to change its production model. But, in such a normal condition the reform process would not have been started so early and probably would not have been started with so much gusto. But, the Indian capitalist class proceeded on the same road, which it started taking in the seventh Five Year Plan, in the middle of 80's. The experience of the jump in export during 1986 to 1990 and its success had increased the confidence of the Indian capitalist class, in its capacity to cope up with international competition. During the period of liberalisation of 80's, the rate of growth of GDP had increased to 5½%, getting free of the 'Hindu rate of growth' of 3.5%. This had been advertised as the result of the new policy of liberalisation, as a new initiative by the capitalist circles. Moreover, the pro-establishment attitude of the central trade union leaders in post-emergency period and the efficient way CPI (M) governments have been running the capitalist regime in different provinces, such unprecedented class-collaboration had reassured the Indian capitalist class that disinvestments of public sector units was possible without much turmoil. In totality, the success story of second half of 80's had strengthened the tendency among the Indian capitalist class to go for a free market economy. The plan for the 'new economic policy' had already been prepared under the leadership of Montek Singh Ahluwalia

during the Chandrashekhar regime, before Manmohan Singh, Narasimha Rao came to power. Even at that stage, the nature of this 'blue print' was not an adhoc measure to combat a financial crisis, it was a long-term plan.

The international situation also was building up opinion against the state-controlled economies and in favour of capitalism regulated by market forces. The experiments of Gorbachov's perestroika or of the 'special export zones' under the state capitalism of China were giving strength to economic arguments for free-market economy, among the international capitalist circles. But these economic arguments of the mid-80's did not have adequate strength to provoke the Indian capitalist class to change its model. The events of 1989-91—collapse of crisis ridden state capitalist models of Eastern Europe and Soviet Union and disintegration of Soviet Union, which ended the mixed character of the international capitalism and established the reign of capitalism based mainly on private ownership—as a secondary factor accelerated the decision for model change by Indian bourgeoisie. The new homogeneity (capitalism based on private ownership) of the world capitalist structure prompted the Indian capitalist class to take a decision about changing its model. There was another factor, the change of state of the inter-imperialist contradiction—collusion in place of contention, although of temporary nature—exerted pressure on the Indian capitalists to change their model (conflicts among the imperialists were favourable for autarky in the third world countries). But in spite of all these changes in the international situation, if the Indian capitalists wanted they could have kept the old model of capitalist production as Burma did. Main cause for the change of model was not the compulsion of external situation; rather it was due to the acute internal crisis whose nature/character was not temporary but long-term and permanent.

The Indian bourgeoisie had chosen the model of its development in conformity with its weak-compromising character, and in conformity with the internal and external balance of class forces. This was a model of a state regulated economy coupled with the maintenance of limited autarky w.r.t. imperialism. In this model the state had to play an important and decisive role. It had to make up for the weakness of the India's weak-bourgeoisie class. It had to set up basic industries, put together the infrastructure for capitalist development, develop or import technology, protect the indigenous bourgeoisie from imperialism etc. For this, various arrangements like public sector, state regulated economy, welfare measures, limited autarky w.r.t. the outside world were made. All these were the requirements of the Indian bourgeoisie of that time, and its state took all these measures. These benefited the bourgeoisie to a great extent and it prospered a lot for 3-4 decades. During this period the bourgeoisie grew stronger and it

accumulated a considerable amount of capital. At this stage in its development, the old model started becoming a hurdle for its accumulation of capital. What was necessary or even compulsory for its earlier development, now become a fetter. State regulated economy and limited autarky w.r.t. imperialism now started becoming a hurdle for further capital accumulation. It now needed 'free market capitalism' and 'globalization'. It needed liberalization in internal and external relations, it needed integration with imperialism. Only through such integration could it "get rid" of its structural crisis. In the mid-80's this integration was initiated in a dispersed manner, and after 1991 it is being carried out with much pomp and show. Such is the inherent meaning of the 'New Economic Policy'.

Economic reforms of one decade have qualitatively changed the old controlled, protectionist model and the process is still continuing.

In 1990/91, besides the restrictions on imports or quantitative barriers there were also high tariff-barriers. At that time, average custom duty was 125% and its peak was 355%. Today at the beginning of the 21<sup>st</sup> century barring 600 items of defence sector, all other items are freed for imports (quantitative restrictions has been removed for more than 9000 items and the present custom duty is not more than 50% for any item). The normal anticipation was that the imperialists would flood the Indian market with their goods and the market share of Indian capitalist would be considerably reduced. But, this did not happen. Whereas the import was 8.2% of GDP in 1990/91, it is around 10.5% in 2001/2002. After eight years of WTO regime in 2001-2002 the amount of export is 8.5% of GDP, which has been 6.2% in 1990/91. By opening up of the foreign trade, imports have increased. But still the Indian capitalists hold a large share of the Indian market. That means, they are still surviving after the removal of protection. On the other hand, they have increased the export in order to balance the loss due to import. The ratio of export and import was to 3:4 during 1990/91. And it has remained almost same in 2001/2002. With a limited loss, the Indian capitalists have maintained their market share in spite of the global competition of imperialism. They do not have any cause for regretting their decision to change their model, at least in relation to the foreign trade. It is clear that they can survive in the conditions of imperialist globalisation and can keep their home market mainly in their possession.

In spite of the hold of the Indian capitalists over the home market, the increase in the foreign trade (absolutely and relative to the size of the economy) enhanced the interweaving of the Indian economy with the imperialism. When the value of GDP was 315 billion dollars in 1990/91, the value of India's import was 24 billion dollars and the value of export was 18 billion dollars. Now, in 2000-01, when the value of GDP is around 480 billion dollars then the value of

import is 50 billion dollars and the value of export is 42 billion dollars. With this increase, another important fact being that neither all the exports are directed to the imperialist countries nor all the imports are from the imperialist countries—roughly half of the foreign trade of India is with the imperialist countries and another half with the non-imperialist countries. However, this increase in the imports and exports reflects the increase in the interweaving and globalisation. In this way, it is true that with respect to imperialists, the position of the Indian capitalists has weakened.

Export of finance capital from imperialist countries or import of finance capital to the oppressed nations is one of the characteristics of imperialism. Besides debt capital, FDI and FPI (investment in share market), are the two other main forms of finance capital. The speciality of this reform period is that though the rate of flow of loan capital has been slow, rate of flow of FDI and FPI has increased many times. Before the economic reforms in 1990, total external loan of India was 83 billion dollars. By 2001/2002, it is around 100 billion dollars— an increase of 17 billion dollars in 10 years at the beginning of 80's, it was 20 billion dollars. It shows that the external debt of India increased by around 63 billion dollar during the 80's (3¼ times).

There was an unprecedented growth of flow of imperialist finance capital in the form of FDI during the 90's to the developing countries. Whereas the level of FDI in the developing countries was 35 billion dollars per year during 1987-92, it jumped to 166 billion dollar per year by 1998. There was an unprecedented growth of foreign investment in India also. Before the economic reforms of 1990/91, there were total 13,400 foreign collaborations and total foreign capital invested therein was less than 1.9 billion dollars (this was only FDI, FPI was negligible at that time). Through economic reforms, new sectors were opened for foreign investment and instead of restricting foreign investment; an open policy of inviting foreign investment was adopted. For the entry of foreign capital in India the door was opened not only for FDI, but also for FPI. Because of the 'reforms' adopted from Sept.'92 till now, it has become easier for FII to invest in both the primary and secondary markets of the Indian capital. Now there can be full repatriation for income of FII and investment can be done for shortest period (zero lock-in period). After opening up for foreign investment, from 1991/1992 to 1999/2000, the total FDI was 15.6 billion dollars and in the same period FPI was 18.5 billion dollars and the total of the two was 34 billion dollars. The increase from low level of 1.9 billion dollars to 36 billion dollars in non-loan finance capital is unprecedented. But if we add the total foreign capital investment for the decade of economic reforms in India, it is less than 53 billion dollars. Almost the same (rather more) amount of finance capital was imported during the 80's when the level of protection was high—entry of FII was prohibited and there were many obstacles of licence acceptance, in the path of FDI. If we take

into account the development of the economy during this period then it can be seen that contrary to the common expectation, the import of imperialist finance capital has not increased during the present globalisation period.

If the imperialist capital is judged in relation to the Indian capital, then the picture becomes more clear. At the beginning of 21<sup>st</sup> century 95-100 billion dollars of new capital was being formed annually in India. In the past, in any financial year FDI never exceeded 4 billion dollars and total foreign capital investment (FDI + FPI) never exceeded 6 billion dollars. There is no doubt that imperialist capital, due to its monopolistic and globally dominating character is more influential than its size. But, still its size in India has not grown so much that it would become the main motive force of the Indian society. At present, the Indian capital, which in its structure is also monopolistic, is the main motive force of the Indian society. At the moment, Indian capital is the main pillar of the reaction and the main enemy of the proletariat and other toiling masses.

On the one hand we should take cognizance that though there is not much growth in the flow of imperialist finance capital due to economic reforms, there has been a lot of change in its composition. The share of loan-capital has decreased and the ratio of FDI and FPI has increased. This change strengthened the hold of the imperialist capital on Indian economy, (FDI/FPI creates more dependence than loan capital). On the other hand it increases the volatility of the economy. As a result of this, the conditions of lives of the proletariat and other toiling masses have become more crisis-ridden than in the previous period i.e. the 80's.

Supplementing the completely parasitic character of FPI is the fact that out of the total FDI invested in India 2/5th of this 'direct investment' has not created any new assets. About 6 billion dollars worth of FDI has been used in 'mergers and acquisitions'. Only 9 billion dollars of FDI have augmented India's means of production. Thus another characteristic of finance capital in the present phase of economic reforms is its enhanced parasitic character.

Another important sector, where the Indian capitalist class has abandoned its old policy, is convertibility of currency. According to the old thinking, to protect the foreign exchange reserve and for gaining stability of the national currency, rupee has to be saved from other stronger currencies like dollar, pound etc. Following this policy the state had put a number of barriers in mutual exchange of rupee and other foreign currencies. One the one hand, it used to announce from time to time the exchange rates of rupee with other foreign currencies. Secondly, the industrialists, traders and the common citizens had to cross a number of administrative and legal hurdles to reach to foreign currencies. Legally whatever small amount of exchange was allowed that was also under many restrictions and at government announced rates. But in 1992-93

budget, government made rupee partially convertible in trade account. Again in August 1994, this was made convertible in current account also. Now the situation is that any foreign currency in exchange of rupee is easily available for international trade and for foreign tours as well. But in the cases of obtaining loan and purchase of property the situation is different, these are in capital account. In spite of increasing the convertibility of rupee, now India has got foreign currency worth 50 billion dollars. As far as the stability of rupee is concerned, it is accepted by the capitalist class that value of rupee may fall in relation to the foreign currencies, but the fall should be slow and balanced. In the one decade of reforms, the rupee has fallen around 2.5 times with respect to dollar and still it is falling. The members of Indian capitalist class have already learnt to run their foreign trade and other transactions according to the steady and the continuous fall of the rupee. For some blunt headed nationalist intellectuals it may be a question of national pride but for the practical capitalist, it is alright as long as the fall is steady. A Continuous and steady fall of the rupee is helpful to the Indian capitalists in maintaining their competitiveness in the international market and discouraging import to the home market. It is wrong to conclude that this continuous and steady fall of the rupee is a direct manifestation of the crisis of the Indian capitalist class or of complete surrender to imperialism.

Through the economic reforms, the capitalist economy is being run according to a new model where, in economic activities (in the activities of production and distribution) the role of the Indian state as a capitalist is being reduced to a great extent. In the previous old Nehru model, the Indian state, through the public sector units, participated in the economy not only as a capitalist but also as the biggest monopolist and a number of sectors were even reserved for the state. In the new model, there is space only for private monopoly and the aim of the model is to abolish the role of the state as a capitalist. Though there is a very slim possibility that the role of state as a capitalist will be totally abolished in new economy but it is absolutely clear that the role of the state will be reduced and steps are being taken in this direction. There are two important facts regarding these disinvestments. In the first place, disinvestment is being done not only in the case of PSU's that are incurring losses, but high profit making PSU's are also being disinvested. Secondly, the buyers of these PSU's are mostly Indian capitalists and not multinational imperialist companies. In other words, behind these disinvestments the role of the pressure of imperialists is far less than the concern for private monopoly capitalists of India.

The new model has also noticeably changed the character of government budget. Since, the sum total of central and state budgets is around 1/6 of the GDP, hence besides policy decisions, these budgets, as buyers of goods and services influence the development of the



economy to a considerable extent. In the second half of the 80's, financial imbalance had been increasing because the fiscal deficit had increased a lot. But in the 1<sup>st</sup> half of the 80's the fiscal deficit was 6.3% of the gross national income and it rose to 8.2% in the 2<sup>nd</sup> half. In comparison to this, the fiscal deficit during the 90's was reduced to 5.7% of the GDP, and various governments showered praise on their Finance Ministers for this achievement. But the manner in which this has been achieved may reduce the economic crisis temporarily, but in the long-term, it is bound to create a bigger crisis. In fact, the revenue deficit of the 90's, which shows the difference between revenue expenditure and revenue income, has increased to an average 2.9% of the GDP from a lower level in the 2<sup>nd</sup> half of the 80's (2.6% of the GDP). It is clear from this that the fiscal deficit can decrease only when the government reduces its capital investment or takes loan or sells govt. properties to boost capital income. And the same is happening. The government has already reduced capital expenditure from 30.18% (5.5% of the GDP) of the total government expenditure in 1990/91 to 21.8% (3.6% of GDP). This attitude towards capital investment generally brings in recession. The Indian capitalists have been complaining about slow rate of growth from 1996/97 itself. In coming years, it may become more slow, may go down to 2-3% and the Indian economy may find itself under the sway of complete stagnation.

The economic reforms have opened up the road for direct involvement of state governments in international affairs. In the old model, in the era of barriers against foreign investment and trade, the state Governments did not have such an opportunity. The end of the 'license-control' regime, opening up of the domestic economy for foreign investment and trade, partial convertibility of rupee etc. have created a new situation which has given rise to a kind of economic federalism. In new model, the Chief Ministers of the states, who are the representatives of the capitalists of their state, can directly negotiate with representatives of capitalists of other countries. But, this will in further accentuate uneven development and in the coming days this will give birth to conflicts regarding the structure of tax collections and other (constitutional level) economic-political disputes. In this new situation, imperialist capital is making direct transactions with the state governments and thus is increasing its hold and sway more and more.

To determine its particular tasks for the period of economic reforms, the proletariat should take the revolutionary ideology of scientific socialism as the basis. It should not take any type of petty-bourgeois nationalism or welfarism as the basis. The class-interest of the proletariat does not support any form of private property. It demands abolition of all its forms (monopoly, non-monopoly, private ownership, state capitalism etc.)

Petty-bourgeois nationalism and welfarist outlook consider that the model based on present economic reforms is worse than the model before 1991 and it fights to retain, partially or in full, many forms of the old model. For it, the new is bad, the old were somewhat better. For the class-conscious proletarians, the form of private property or the nationality of the exploiters are not issues for which they will fight (they participate in national liberation struggles because through this political democracy expands, which is helpful for their struggle and on successful completion of this, the outline of future struggle becomes more clear). The class-conscious proletariat should identify its separate class interest in the new situation of liberalisation and globalisation. If it finds that the conditions of work (sale of labour power) is worsening or condition of living is deteriorating, or socio-political freedom is being curtailed then these will be the issues of its fight. State form of public property, nationality of property owner, controlled or free market economy, autarky or globalisation of markets etc. are not, in themselves, the issues of the proletariat. The proletariat's position for or against these, assumes meaning only when judged with respect to the conditions of sale of labour power or to the conditions of life and struggle. For the proletariat, neither the nationalisation of the property of the capitalists is itself progressive nor are disinvestments reactionary, *per se*.

The class-conscious proletariat does not regret the disinvestment of public sector as CPI/CPI (M) or other petty-bourgeois nationalist parties are doing because, according to them, the public sector units created by the labour of the Indian people are being sold away at throw away prices. The class-conscious proletariat knows that just like the public sector, the existing private sector industries are also products of labour of the working masses and the working masses do not have any control over these, nor do they own them and that the buying or selling at good or bad prices are part and parcel of capitalism, and forms of ownership do change in capitalism. In this case, the class-conscious proletariat gives priority to its own class-interest and decides whether the disinvestment is for or against the conditions of its labour power or living conditions and struggle. He fights for overcoming unfavorable conditions and enhancing the favourable. Attacks on the class-interests of the proletariat such as retrenchment, use of contract labour, curtailment of the rights to form organisation and the right to struggle are the issues of the proletariat and it conducts propaganda and mobilisation around these issues. It does not hide the facts of inefficiency and corruption prevailing in the public sector like the revisionist leaders and petty-bourgeois intellectuals. It tells society that free-market capitalism and disinvestment are not the solution to these problems, that all other forms of inefficiency, work evasion, corruption will exist in any type of capitalism and these vices can only be removed in socialism. The

proletariat does not have any illusion about the public sector. He is as against this as against any form of capitalist property.

In the same way, the class-conscious proletariat is not against globalisation. Rather he is a strong supporter of globalisation and he wants all the barriers between the nations removed. He challenges imperialism and the capitalists that after a spate of globalisation, they will stop diluting the boundaries of nations and they will maintain different levels of the markets, especially of the labour markets. The class-conscious proletariat does not want cultural alienation and isolation of states. What the class-conscious proletariat opposes is not globalisation itself but the joint attack of the imperialists and the capitalists on the proletariat and other working people under the cover of globalisation. Class-conscious proletariat make these attacks the main issue, but under the cover of abstract supra class opposition confused nationalists of various hues do not want to make these the main issues. The class-conscious proletariat does not have any interest in the national culture of the Hindustanis, pride in the tricolour, Indian identity, etc. He has seen their vulgarity at close quarters. He is dedicated to proletarian culture, the red flag and revolutionary identity and on this basis; he makes imperialist attack the main issue. He opposes **imperialist** globalisation but supports socialist globalisation.

In the same way, he neither fights for capitalist protectionist control of economy nor for its abolition. 'Licence-control-raj' or 'free market capitalism' both, are not issues of the proletariat. It is against both. In the long-term, proletarians are for socialist planning and at present, against the fall in their living standards. Keeping Gosplan in mind, they fight to keep controlled ration shops open.

The infiltration of the rightist ideas in the communist revolutionary movement has assumed such a dimension that the above disclosure has become necessary. Communist revolutionaries should clearly draw the demarcation line between political positions of the anti-imperialist movement of revisionists and those of communist revolutionaries. If we fail to do this, on every important issue, then we will be unable to resist the imperialist attack and to push it back. Today, in the new situation of collusion between the imperialism and the domestic capitalists, anti-imperialism based on nationalist basis has become outdated and movements like the boycott of foreign goods have become meaningless. Today, anti-imperialism based only on the class interest of the proletariat can protect the class interest of his ally classes (poor peasants and other sections of petty bourgeoisie). It should be clearly explained to the ally classes, by the proletariat, that the crisis of domestic capitalism and uneven development has a role in their wretched conditions, and that imperialism is making the life of proletariat and ally classes worse by

transferring its own crisis on their shoulders. Since, imperialism is infiltrating the country using the domestic capitalist class as its base, so during this phase, the anti-imperialist struggle cannot be fought with bourgeois nationalist slogans.

The present phase of integration of Indian capitalist class with imperialism is beneficial to both; class-interests of both are being served by this.

As far as imperialism is concerned, it is clear that after a whole wave of national-liberation movements and after the experience of a phase of construction of socialist systems, at present the consciousness of the masses of the world is not so much backward that imperialism can militarily invade a country and capture its market. Now any military invasion spontaneously gives rise to armed resistance and in the situation of armed resistance, the market ceases to be a profitable market. Hence imperialists have accepted that now they have to make a deal with the domestic bourgeoisie to get an entry in the national market and any puppet autocrat or administrator who has no acceptance among a large section of domestic bourgeoisie is also unable to serve the purpose. It is true that the crisis-ridden imperialism requires the expansion of its markets. Domestic markets of countries like India can not only be a part of this expansion, but in a sense it is almost a new market for the imperialism. Hence, the class interest of the imperialism can be better served here and more than in Chad or El Salvador, imperialism can find here a better the solution to its crisis.

For the domestic Indian bourgeoisie, the arrival of the imperialism and its hold on the market results in a loss of their market. This integration will reduce their market share. But on the other hand, with the new techniques of production and other forms of imperialist participation, the surplus value which the domestic bourgeoisie will be acquiring is going to increase in totality, which means that in spite of the loss in market-share, the paths of its development will be opened. Without this integration with imperialism, it would have been very difficult to open avenues, such as computers, new economy, road transport sector, natural gas based production etc. Today, when the competitive power of the domestic bourgeoisie has increased and it has grown confident enough to feel that imperialism cannot completely displace itself from the market, it has made relations of give and take with imperialism and has lowered the protective-barriers to its domestic market. This process started from the mid 80's and the new relation which the Indian bourgeoisie have forged with imperialism specially after 1991, can, in no way be termed as 'surrender' or 'defeat', it can only be termed as 'partnership'. Here the basic point is not that the interests of one are fulfilled at the cost of the other's interest. The basic point here is that at the cost of proletariat and other toiling masses, interests of both are fulfilled.

As for the Indian bourgeoisie, if they had so desired, they could have continued with the protectionist policies of 60's/70's, as is the case with Myanmar or North Korea. But, in that case they would have had to loose the market share of their exports in the international market after 1995. Apart from their desire of developing the domestic economy with the help of imperialism, the new situational pressure of the 90's led the Indian bourgeoisie towards integration with the imperialism. But, still at the time of taking decision to change the policy, the development of the home market got priority over export possibilities.

The integration of the Indian economy with imperialism, which has taken place in this phase, is going to develop in the future. The partnership between Indian bourgeoisie and imperialism will increase. There is very little possibility of reverting to the old autarkic days. But this does not mean that the contradiction between the Indian bourgeoisie and imperialism has been resolved. This contradiction still exists in this phase of integration. Today this contradiction is in a state of collusion. Tomorrow, with some change in the international or domestic situation, this contradiction will again enter the arena of conflict. In such a condition, the Indian bourgeoisie, which appears surrendering presently, will adopt an opposing posture. But even then the opposition of the Indian bourgeoisie will not be on the ground of the 60's or the 70's. It will be on this higher plane of integration. The opposition will not be directed towards the break-up of this partnership and restoring previous type of protection and creation of a self-reliant economy. The opposition will be for getting a bigger share through bargaining, within the relation of partnership.

### **Indian capitalist class — Comprador or Junior Partner?**

At any stage of the period extending from 1947 till today, the Indian capitalist class has never completely dissociated itself from imperialism and it could not do so. Since then till now, there has been continuous presence of imperialism— in a small or in a big way. In this sense, India's ruling class never had the kind of political or economic freedom as that of any socialist country. And, was neither the decolonisation process continued to its logical end. It past and the compromising character of the Indian bourgeoisie did not allow it's to continue the decolonisation upto its end, it left it incomplete. The basis of the imperialist penetration after 1991 also lies in the class-interest of the Indian bourgeoisie.

The relations between the Indian bourgeoisie and imperialism are not equal relations. These are unequal relations where imperialism dominates. But, these relations are not such that the Indian capitalist class has to depend on imperialism for its existence and does not have any existence independent of Imperialism. Mao has defined compradors as those who do not have any independent existence and who for sake of their existence are dependent on imperialism. The present Indian capitalist class cannot be placed in this category because its dependence on imperialism is not such that it cannot struggle against it, cannot bargain, cannot distance itself from them. The Indian capitalist class is not dependent on imperialism for its existence. It makes relations with imperialism for its own development and makes these relations strong or weak according to its needs and situation. In both superstructure and base, the inter-relations between Indian bourgeoisie and imperialism seem like senior partner-junior partner relations, which are very different from compradore-master relations. In this partnership, large part of the surplus value extracted from workers and toiling masses of India goes to the Indian bourgeoisie whereas smaller part goes into the bag of imperialism. This means that in spite of its status as a junior partner in the whole world, the Indian bourgeoisie within the boundaries of its country is the senior partner. Notwithstanding the fact that, imperialism makes super-profit on its capital invested in India as well.

During the discussion on foreign trade, the level of export-import with respect to GDP has been investigated. It is clear that Indian market is quite large and the Indian capitalist class produces for this market and that for its existence it depends on home market and not on the alms of the imperialists. After a decade of economic reforms and globalisation when the inter-relation between the Indian capitalist class and imperialism has taken a definite shape, then from the nature of Indian exports, we can see that in no way is India merely a raw material exporting country. The share of Agricultural products and raw metal exports has reduced to less than 18% of the total exports. On the contrary, industrial goods have more than 78% share. These Indian capitalists who are mainly finished goods exporters are only small players in the international market (only 0.8% market share). The Indian export of finished goods consists mainly of textile, cotton fabric, readymade garments, leather goods, ornaments, chemicals, engineering goods etc. On the one hand, India has grown into an exporter of finished good from an exporter of raw materials; on the other hand it is not such a country that exports technique and capital goods (most of its exports are of inferior quality or primary products). If something like this happens, then the unequal factor in the inter-relation between imperialism and Indian capital will vanish.

Imperialists have formed a strong platform, WTO, in the 90's to control the world trade in favour of their class interest. This platform limits the independence and sovereignty of the Indian capitalist class. Which means that, if the foreign trade of India remains at the same old level, even then imperialism will dominate in the relations between imperialism and Indian capitalists. Apart from trade WTO is weakening Indian capitalists (from an Imperialist position) in matters like intellectual property, capital investment etc. Besides WTO, the power of the organisations like IMF, World Bank or Aid India consortium has increased also. Apart from these, the whole imperialist world has got the opportunity to become very strong and as a result, organisations like NAFTA, European Union, APEC etc. have taken shape. Due to all these, the position of Indian capitalist class has become weak in the power balance between the Indian capitalist class and imperialism. But, in spite of this, this relation has not become so one sided that Indian capitalists do not have any space to move and they have to wait for imperialism's nod for every decision.

Now the total foreign debt of India is around 100 billion dollars. It was 83 billion dollars in 1991 and it was apprehended that India would be caught in the debt-trap. But this did not happen. India is still out of the debt trap. On the other hand on the issue of loan, the Indian capitalist class, instead of being under pressure of the imperialism, has improved its position during the reform period—in 1991 India had to pay an amount which was equal to the value of 3½ months GDP whereas in 2002, this repayment amount is equal to the value of 2½ months GDP. The debt service ratio was 32.7% in 1990, whereas by 1999, it became less than 20%. Here the main point is that Indian capitalists do have to take loan from the imperialists, but their dependency on imperialism is not such that they are not in a position to repay and they have to abide by instructions of the imperialists. The Indian capitalist class has been repaying, the loan taken in bad times or for new development projects. The Indian capitalist is not compelled to be a pawn of Imperialists by virtue of being caught in the debt trap.

Before 1990/91, the maximum portion of the surplus value produced in India was being reinvested in India. A small portion of it was going outside to imperialism as interest on foreign loans, profits on imports, profit earned by the foreign companies in India, expenditure in foreign countries by the members of parasitic classes, wealth being clandestinely deposited in foreign banks, etc. After a decade of economic reforms when protectionist policy is almost abolished, when obstacles for the movement of capital within the country and through the boundaries of the country have been reduced to a great extent, even then, there isn't any qualitative growth in the share of imperialism in the surplus value. The composition of the share of imperialism's surplus value accumulation has changed— profits from FDI/FPI have increased, profit from imports has

increased to a certain extent, on the other hand interest on loan has decreased. But, its share in the total has remained almost the same.

In sum total, the position of the Indian capital in relation to imperialism is such that it is able to sustain in front of its strong rival even in free competition (even after the abolition of protectionist economy). In this situation there is very little possibility about Indian capitalists losing their independent existence and becoming a pawn-compradore in the hand of imperialism. There can be very little doubt that it is not a compradore today. Today, if we define its character from its behaviour in the present phase of globalisation, then "junior partner of the imperialism" will be the most appropriate term. In the new situation within the imperialist framework i.e., in a situation of political pressure, military intervention, unequal economic treaties, diplomatic cornering, techno-scientific backwardness etc India is not surrendering its political independence and is not losing its economic strength as well. In deciding the tactics of its struggle, the Indian proletariat and allied classes should not overlook, for a moment, the above mentioned strength and power of their main enemy.

## **Present situation of Indian agriculture:**

At the beginning of 21<sup>st</sup> century, the situation of Indian agriculture is compelling us to arrive at many new conclusions and discard a lot of old things.

Today, though more than 72% of the Indian population lives in rural areas, only 23.4 crore (58%) of the total working population (40 crore) are engaged in agriculture, which means that a large portion of the rural population, around 1/5th, earns its livelihood from non-agricultural work. Out of this 23½ crore rural population engaged in agricultural work, 12.7 crore are small or big peasants and landlords, whereas 10.7 crore are agricultural proletariat among whom around half (5 crore) the number, are women. On the other hand, if we look at the number of peasants within the total working population of India, we find that India is no more a peasant country, that less than 1/3rd of the working people are peasant community (to characterise the 5 crore peasants in the lower layer of this 12.7 crore peasants as peasant and not as semi-proletariat is wrong according to political economy). On the whole, the class composition of the rural population at the beginning of the 21<sup>st</sup> century is quite different from that of 4-5 decades back; the peasant's



countryside has changed into the countryside of the proletariats/semi-proletariat. The basis of the emergence of this new class composition in the rural sector is the new capitalist economy.

India is among those exceptional countries where a large portion of its land is under cultivation. Almost half of the land (14.2 crore hectares) of India is cultivated. In some places, double/triple cropping is being carried out and due to this total cultivated area per year comes to around 19 crore hectares. According to government statistics, till now 9.5 crore hectares of land ( $\frac{2}{3}$ <sup>rd</sup> of the cultivable land) is irrigated. But the truth is that only 5.5 crore hectares of land is actually irrigated and the remaining 8.7 crore hectares is dependent on the mercy of 'Indra Devata'. That means, at present 38.5% of the land is irrigated and the remaining 61.5% is non-irrigated. The government had confiscated only 1% of the total cultivable land from the landlords and distributed it to the tillers and 99% of these lands were not distributed. But in spite of all those limitations and weaknesses some basic changes took place in the class composition of villages. Along with the abolition of Zamindari and intermediaries, tenancy reform, the main motive force for this change was the association of Indian agriculture with the network of the capitalist market.

The American imperialists took special interest in this method of capitalist transformation of Indian agriculture. American advisors had played a big role in the framing the agricultural policy during Nehru's period. In the period of the 60's-70's, in ushering in the green revolution which brought Indian agriculture under the market system American help was not limited to mere advice only. It extended from the establishment of agricultural research centers/universities to the popularisation of hybrid seeds and other agricultural inputs among the peasants. With the assistance of American imperialism, of different institutions of UNO and of other imperialist countries Indian capitalist class managed to change the character of Indian agriculture at the basic level through successive reforms instituted during 3-4 decades. In this way a new mode of production—capitalist mode of production—took its place in Indian agriculture.

In spite of the scarcity of irrigation, modern Indian agriculture is not based on traditional seeds. Peasants have, by and large, been associated with the market system for seeds. In 1997/98, HYV seeds were used in 75% of the total cultivated area. Hybrid seeds are used in 86.1% area for wheat, 74.2% for paddy, 81.8% for jowar, 72.2% for bazra and 57.1% for maize. For these the peasants are dependent on the capitalist market.

Along with this, if we take into account the use of energy in agriculture, then the association of the peasants with the market will be more clear. Nowadays the share of the use of energy from animal-sources like bullock, buffalo, camel etc. in agriculture has been reduced to

9.89%. The use of electricity and diesel in different types of work like sowing, ploughing, harvesting, processing etc. has begun. In 1950/51, 5.1 billion units of electricity was produced, out of which only 0.19 billion unit (3.9% of the total production) was used in agriculture. While in industry its usage was 3.19 billion units (62.6%). In 1998-99, 448.5 billion units of electricity was produced out of which 140.8 billion units (31.4% of the total production) was used in agriculture. In the same period the use of electricity in the industry increased by 152.04 billion units in absolute terms, but in relative terms, its share reduced to 33.9%. The use of electricity in agriculture on such a large scale has taken place mainly in the last three decades and it is a new phenomenon, which has influenced the agricultural processes and agricultural production relations considerably. The use of electricity in agriculture, on the one hand, has made agriculture dependent on the Indian monopoly capitalists (specially public sector) and, on the other hand, it has also increased the use of contract labours for short periods in the agriculture.

20 lakh new tractors were sold during the decade of reforms. Now, Indian agriculture consumes 2.5 lakh new tractors every year. In Indian village not only do farmers/peasants use tractors for ploughing their own fields or in other agriculture related activities like irrigation/harvesting, but they also rent-out their tractors for use by others. Increasing use of tractors has reduced the size of the traditionally permanent community of ploughmen. The use of tractors and other modern inputs in the Indian agriculture in increasing scale has been, without any doubt, replacing the semi-feudal relations with new class relations—capitalist production relations. Now, 1/4 of the cultivable land of the country is being ploughed by tractors. As such, increasing mechanisation is not an essential condition for the capitalist transformation of agriculture. Marx had described the capitalist transformation of the British agriculture advancing without any reference to electricity and tractors. Where as mechanisation of agriculture is a result of capitalist development of agriculture, it in turn accelerates capitalist development in agriculture. At present, this is what is happening in India. Capitalism is not limited to only 1/4<sup>th</sup> portion of the cultivated land where tractors are being used. The actual point is that since capitalism is basically established in Indian agriculture, hence among other things, there are 30-35 lakh tractors in the productive forces of Indian agriculture, and their presence is accelerating the development of capitalism in Indian agriculture.

In 1960/61, 1.5 lakh tons of chemical fertilizers were produced in India and 4.19 lakh tons were imported. After four decades in 2000/01, production of chemical fertilizer was 1 crore 47 lakh ton and 20.9 lakh ton was imported (India imports potash, completely). With respect to agriculture, Orissa, the most backward state of India is using 44 kg of fertilizer per hectare

whereas it is 158 Kg./hectare in Andhra Pradesh, 163 Kg./hectare in Tamil Nadu and 184 Kg./hectare in Punjab. The average use of fertilizer in the whole of India is 95 Kg./hectare. The national average use of fertilizer in the USA where the agriculture is highly developed is 113 Kg./hectare. Japan, where the use of fertilizer is very high, has a national average of 352 Kg./hectare. Increasing use of fertilizer in agriculture is a manifestation of growing capitalist inter-relations between fertilizer using peasants/farmers and the fertilizer producing monopoly capitalists.

Rather than looking at investment, even if we study Indian agriculture on the basis of produce, even then we find an increasing dependence on the market mechanism and a great change in the nature of the produce.

In 1950/51, agriculture and allied sectors (forestry, and fisheries) had a contribution of 59.2% in Indian economy. In 1999/2000 it has been reduced to 27.6% (industry 24.4%), although produce of agriculture and allied sectors increased 4 times during this period. After half a century, it can clearly be seen on the basis of produce that India is no more an agricultural country. On the other hand the rural countryside of India no longer remains a place that mainly produces wheat, paddy and pulses. In 2000/01, the total value of the produce of agriculture and allied sectors was 5,61,717 crore rupees. It includes 1,70,205 crore rupees (30.3%) of fisheries and livestock. Today, tea, spices or vegetables are not at the top of the list of agricultural exports. Now at the top of the export list is fish and its share is approximately 23%. Share of wheat in total agriculture and allied produce remains 8.38% (47,091 crore rupee) whereas the share of milk has become 18.4% (101,909 crore rupee). In this situation, if the debate between 'production for self consumption' and 'production for market' has to be resolved, then to keep the sphere of analysis confined to wheat, rice, pulse, oilseeds will be one sided and wrong. Even a restricted, narrow analysis also shows that production of wheat, rice, and pulses is not being carried for 'self consumption'. A large portion of it goes to the market. But, with the expansion in the range of agriculture products, the 'market oriented' character of Indian agricultural is completely revealed.

A significant change in the mode of exploitation is that with the increase in the buying of agricultural inputs from the market and selling of agricultural produce in the market and through unequal exchange in the market, today industry is exploiting agriculture to a greater extent. A large amount of surplus value from agriculture is now being transferred to industrial and trading capitalists.

Today, another feature of Indian agriculture is that the share of land- rent in the total surplus generated by agriculture has become very small. Today, in the budget of Indian state

(central or state) the contribution of land-revenue is negligible. It is 0.6% of total state-revenue. The amount of rent, recovered by the landlords from rented land, has also reduced. Today, more than 9/10<sup>th</sup> cultivated area is cultivated by the landowners themselves and less than 1/8<sup>th</sup> of the operational holdings (fully or partially) is under some type of land tenancy. From the self-cultivation practiced in a major part of Indian agriculture—more than 9/10<sup>th</sup> of the agricultural area and 7/8<sup>th</sup> of the operational land holdings— surplus value is being transferred by the peasants, as profits to the industrialists, as interests to banks or private money-lenders, but the amount of land-rent paid is very small. This situation is totally different from the British period. In this way, one of the forms of semi-feudalism—'land-rent' has been significantly reduced in the Indian agriculture. It has been replaced by the profit of the industrialists and interest of bankers.

On the other side, it is being observed that land tenancy reached its minimum (7.2% of total agricultural land) in 1981/82 and again it has increased a bit (8.3% of total agricultural land in 1991/92), which means that the movement from land tenancy towards self-cultivation had somewhat halted by the 90's and again an opposite motion was seen. But the basis of this opposite motion is not semi-feudalism. It has been seen that there is no increase in the tendency among the agricultural semi-proletariats and small peasants for rent-cultivation. The growth of tenancy is observed among peasants with land-holdings more than 25 acre. These big peasants increased their rented area more than two times. Some peasants possessing 10-25 acres of land also contributed in the growth of tenancy. But peasants having less than 5 acres of land had no contribution in it. The birth of reverse tenancy during the 90's is an indication of capitalist development in Indian agriculture having reached a higher level.

More than 90% of the land is outside the domain of tenancy relations in the present Indian society. This is self-cultivated—that it is either cultivated by the owner peasant himself by his own labour or the land-owner cultivates his land with the help of hired labour under his supervision. In this circumstance the old slogan of agrarian revolution "Land to the Tiller" has become irrelevant. It also cannot be implemented in the whole of 1/10<sup>th</sup> area (1/8 holdings) where land tenancy exists. With respect to reverse tenancy, the implementation of this slogan will be reactionary. As a result, the application of the slogan "Land to the Tiller" has become limited to a very small area. It is true that the peasants still have a hunger for land. But, to attempt to satisfy this and to think that land should be distributed to agricultural proletariat also, i.e. include them among the peasantry is wrong. If in any society the number of agricultural proletariat is very small, then through land reforms, they may be given land as an exception. But, in a condition where the agricultural proletariat exists as a big class in the society, attempts to transform it to peasantry by

distributing land will be a regressive act; it will amount to pushing an advanced class of human history to the position of a backward class. Today, the development of Indian society has reached such a higher level that communist revolutionaries should make a separate programme for the agricultural proletariat, a programme similar to the programme for the industrial proletariat of the organised and unorganised sector. Anti-capitalist programme for different categories of toiling peasants should also be formulated.

In spite of the excessive exploitation of agriculture by the industry and pocketing of the rural savings by banking network, formation of capital is taking place in the Indian agriculture. Today, not only simple reproduction but also extended reproduction is going on in Indian agriculture, which is revealed by the new capital formation. In any capitalist society, the level of new capital formation in agriculture is always lower than that of industrial and service sectors. In India also, new capital formation in agriculture is small with respect to its size. In 2000/2001, the total new capital formation was 21.9% of GDP in India. But the new capital formation in the agriculture was only 1.3% of GDP. That is, new capital formation in agriculture which economy had contributed 27% to 28% of GDP was only 5.9% of the total new capital formation of the country. Undoubtedly, in capitalist system agriculture would always lag behind other sectors. The situation for the capitalist development in agriculture was relatively better before the 90's, in the era of old Nehru's policies. Actually, in 1993/94 when the government policy was more favourable towards agriculture in comparison with present then capital formation in agriculture was 1.6% of GDP or in other words 7.5% of the total national capital formation. The above statistic clearly shows that the development of agricultural sector is slower than other sectors of the economy and during the phase of 'free market capitalism' the gap has been widening.

The important fact about the capital formation in agriculture is that in 2000/01, the contribution of private sector (peasants and farmers) was  $\frac{3}{4}$ <sup>th</sup> whereas the contribution of public sector was  $\frac{1}{4}$ <sup>th</sup>. Between 1993/94 to 2000/01, the public sector's share in agricultural capital formation was reduced from  $\frac{1}{3}$ <sup>rd</sup> to  $\frac{1}{4}$ <sup>th</sup>. During the period, the level of capital formation from private resources increased from 9,056 crore rupees in 93/94 to 12,538 crore rupees (at 93/94 constant prices), whereas the public sector capital formation shranked from 4,467 crore rupees to 4,007 crore rupees in absolute terms. The increasing interest of private sector (peasants, farmers and others) in the formation of capital in agriculture is a concrete manifestation of extended capitalist reproduction in agriculture.

In spite of capitalist development in agriculture, Indian agricultural economy is in crisis. This crisis is extremely acute in the sector of food grain production. During the 50's, average

growth rate of food grain production was 3.22% per year; the reason behind this was the increase in the land area for food grain production. In the 60's, the average growth rate of food grain production per year fell to 1.72% and the country had to import food grains from the imperialists in large scale. During the 70's also, the average growth rate per year was low at 2.08%. In the 80's, when the results of the new type of agriculture started to show, the average growth rate per year rose to the level of 3.5% and India became self-sufficient with regard to food grains and also became an exporter in a limited sense. But, very soon, in the 90's, the average growth rate per year touched the lowest level of 1.66%. The 90's decade was a decade of stagnation for food grain production of India—a decade when growth rate of food grain production was almost the same as that of population growth rate. The most important reason of this general long-term crisis of Indian agriculture is the non-revolutionary capitalist transformation of the Indian agriculture. Without changing the old land relations, development through technological reform and through the medium of the market could break the chains of productive forces only to a limited extent. This limit has been most acutely revealed in the case of traditional food grain production where the annual growth rate has never gone above 3.5%. During the 90's, as the government's negligence towards agriculture grew, average annual growth rate fell to half. But during the past 3-4 decades, the nature of the agricultural crisis has changed so much that even land redistribution through revolutionary methods will be insufficient (now) to solve this crisis. For the solution of present agricultural crisis, anti-capitalist steps have become a must.

There is also no doubt that the presence of the feudal remnants in Indian villages make this crisis more acute for the mass of the working people. But today the feudal remnants are accentuating the crisis as a secondary factor and are not the main cause of this crisis. Feudal remnants are in existence in the base as well as in the superstructure. Their main manifestations in the base are traditional share-cropping (which is being carried out in 1/3<sup>rd</sup> area of total tenancy, i.e. less than 3% of total cultivated area), the role of the casteist tradition in keeping wages at lower level, remnants of Jajamani system, bonded labour, to some extent traditional usury, impact of religious customs-traditions on animal husbandry and selection of crops, etc. 'Jhoom' agriculture practiced by the tribals and some of their other traditional practices of subsistence are also pre-capitalist remnants in the base. Some important manifestations of pre-capitalist remnants in superstructure are, caste system in society, dominance of patriarchal values, traditions of khaps/chaupals/panchayats, various forms of superstition and religious rites, etc. In spite of lessening and weakening of these pre-capitalist remnants they contribute in making the agricultural crisis more dreadful. But the agricultural crisis is not mainly due to them. The present

agricultural crisis is mainly a capitalist crisis. No doubt that the struggle for solution of this crisis cannot overlook the presence of these pre-capitalist categories, but if we make these the main target, then the crisis cannot be solved.

Through the economic reforms, the government is trying to systematise and expand the machinery for the penetration of capital in Indian agriculture. One of the most important steps towards this is the 'Seed Act, 2001'. The draft of this enactment says that after the setting-up of a national seed board, all seeds, which will be used for sowing or planting, must be registered. Seed farmers and seed processing plants are to be registered. Seed export/import will be directed by this enactment and only registered varieties will get permission for sale. This enactment will clear the road for the implementation of patent laws in agriculture and for the monopolization of seed.

Protection of 'Plant Varieties and Farmer's Right's Legislation' has been passed by parliament. This bill is for patenting new varieties. This will ensure the patent owner the realization of royalty from the seed user. The said enactment and bill have been formulated under WTO conditionalities i.e. under imperialist pressure. The multi-national companies will be the main beneficiaries. Today, it is clear that the world is at the threshold of the extensive use of biotechnology. The imperialists are trying to take the full advantage of this new development. During the 60's-70's, situation of India was not such that imperialists could demand tax on hybrid seeds. But, from the beginning of the 90's, a situation was being created where the imperialists could make the provisions for this. Through IPR's of WTO, the arrangement for realization of royalty has been made. In the new situation at the end of the 20<sup>th</sup> century the exploitation of the Indian agriculture by the industry has not only been increasing but the imperialists are also demanding increased share in surplus value generated by agriculture production.

Expenditure Reform Commission has been established in February 2000. On the recommendations of this commission, fertilizer industries will be made completely free of control by April 2006. To reach this aim, there will be a 7% increase in the price of urea every year.

Parallel to this, a discussion is also going on in government circles that agriculture should be classified as industry and the tax collection based on crop production should be started. With the policy of abolition of subsidies in agriculture on one hand and the imposition of the product-tax on agricultural production on the other, Indian agriculture will acquire that specific form which capitalists call commercialized agriculture.

From the 2<sup>nd</sup> half of the 90's, the government had removed all the barriers on the trade of agricultural products. But the state-governments still limited the market of agricultural produce within a district or state with the help of the Essential Commodities Act, 1955. But now after the

abolition of licence for commission agents, limits on storing, barriers for the movement will be removed from February 2002, a unified 'free' national market will come into existence for wheat, rice, coarse grains, oil, sugar and oilseeds.

To abolish the support price system, the states have started the decentralised purchase of agricultural products. At the moment, some state governments are raising objections against decentralised purchase, but it is sure that the days of the support price system are numbered. When this happens, public distribution system will be either completely abolished or will become limited.

After scrapping of the 'milk shed approach' in dairy sector and of control in the dairy industry, it will open-up for competition. With this, the responsibility of a dairy for the planned development of milk production in its area will end. The development of the quality of livestock, veterinary hospitals, arrangements for fodder etc. will not be the responsibility of a definite dairy (co-operative or private). This now has to be borne by the animal rearing peasants at the individual level.

Like the 'special export zones' in industry, the capitalist class of the country is talking about 'special export zones' in agriculture too. By encouraging Prawn Farming in the country, initial step has been taken in this direction. The success of the development of fish exports has encouraged the capitalists to think so. For establishment of this 'Agriculture Export Sector', the necessary arrangements for the requisition of peasant's land and arrangement for intensive agriculture by export companies (these may be fish or livestock or crop), will be done by the state. Already there is talk about ending land ceiling and facilitating the concentration of land.

Systematisation of the purchase of seeds, arrangement for the recovery of royalty on new varieties of seeds, abolition of subsidies on agricultural input, start of excise duty, abolition of barriers in trade of agriculture products at the national level, gradual abolition of support price system, opening up of the dairy industry for competition, encouraging agricultural export are such new things which may be considered as new in the central government's new 'national agricultural policy'. The remaining part consists of continuing the same things, which they have been doing for the capitalist transformation of Indian agriculture in the last 3-4 decades. The ministers and apologists of Indian government boast about a new commercial phase of agriculture by propagating these new things.

It is essential for the communist revolutionaries of India to take cognizance of this new planning and new agricultural policy. On the one hand, it is an indication of the integration of agriculture with the capitalist market at a higher level and of this integration taking place not only



with the Indian capitalist market but also with imperialist controlled world market. There are sharp ups and downs in the demand of agricultural produce and availability of agricultural inputs in the world market, hence as the integration of Indian agriculture with the world is taking place, fluctuations in world market of agricultural products will ruin the life of the peasants. On the other hand, it is also an indication that for marginal and small peasants the crisis will deepen. The life of these allies of the proletariat will deteriorate. This is because all these new things are actually an attempt by the big capitalists and imperialists to reduce their crisis. Big monopoly capitalists and imperialists are in search of new markets, in search of new sectors for profitable investments and want to use the state revenue exclusively for their own benefit. The successive suicides of peasants are a manifestation of the increasing crisis of agriculture.

In this situation, it is essential for communist revolutionaries to explain to the small and middle peasants that only socialism can provide a solution out of this crisis.

## **Some other specialties of Indian Capitalism**

**Expansionism**—Indian capitalists are not merely satisfied with their domestic market. They have been voicing their protest in international platforms against the unequal economic relations forced on them by imperialism. They have played an active role in the formation of organisation like G-77 in UNCTAD. They have not only been taking interest in developing trade relations with second and third world countries but have been investing capital outside their national boundaries in third world countries. The phenomenon of investing abroad is limited to monopoly capitalists only. But to overlook this is to refuse to accept reality, because this is the manifestation of ambitions and strength of the Indian capitalist—in mid 80's Tatas had invested 12% of their capital outside India, where as Birlas 40% and Thapar group 76%. In 1985, India formed SAARC with Bhutan, Bangladesh, Nepal, Sri Lanka, Maldives and Pakistan. In 1991, proposals for the formation of South Asia Free Trade Area (SAFTA) were set afoot. Formation of SAFTA is being delayed because of India-Pak relations. Now, India's exports to SAARC countries are 2½ times higher than its imports from them. At regional level, Indian capitalists act, as big brother and SAARC/SAFTA are the manifestations of its regional ambitions.

The Indian capitalist class has achieved the status of a regional power. In the a position of a regional boss, it has contradictions with the small and weak ruling classes of its neighbours—like Bangladesh/Pakistan and at times it twists their arms. It has relations of dominance with Nepal,

Bhutan and Maldives. It swallowed Sikkim in 1975. Imperialists also accept Indian ruling class as a regional power and in case of any intervention in South Asia, they make it a party.

**‘Developing’ Economy**—In the 80’s, world economy grew at the rate of 3.2% whereas India’s economy grew at the rate of 5.7%. In the 90’s, the growth of world economy was slow and grew at a rate of 2.5%, whereas the growth rate of Indian economy was 6.0%. In the 2<sup>nd</sup> half of the 70’s, Indian economy had started to leave behind the ‘Hindu rate of growth’ (3.5%) and in the 90’s when the growth of the imperialist controlled world economy was slow, even then the Indian economy not only maintained its high growth rate, but also accelerated somewhat.

On the other hand, more than 5.5% growth rate in itself does not prove that the economic problems of Indian society have been solved and it is a sign of normal progress. 2/5th of the population of India still lives below the poverty line (ability to buy food containing 2,400 calories in rural areas and 2,100 calories in urban areas). Even otherwise economic inequality is so enormous that 3/4th of the members of society have an income which is less than normal minimum wage. In spite of economic development, this situation has not changed. During the 90’s there was stagnation in the agricultural sector and its growth rate was around 2%. The high overall growth rate was due to the service sector. The growth rate in the industrial sector was almost the same as in the previous decades. After 1996/97, recession set-in in the industrial sector. It is clear that development is uneven and one sided and in spite of the liberalisation- globalisation the normal long-term crisis of Indian economy is not being solved. The fast growth of the big companies in industrial and service sectors are less due to the development of internal productivity and more from the exploitation of rest of the economy.

As a country in the low-income category, saving rate is very high in India and as a result, the rate of formation of capital is also high. In 1970/71, rate of capital formation was 15.4% of GDP. At the end of the 20<sup>th</sup> century, it was more than 24%. The 5-6% growth rate of the Indian economy should be judged in this perspective. The savings, which have a contribution in the development of the Indian economy, have not come from the corporate sector. There is a great difference between the savings and the capital formation of the corporate sector (private and public). Most of the time, the capital investment has been double of the savings. The extra wealth required for this capital formation is being provided from outside. This surplus wealth is made available to the monopoly capitalists of the corporate sector from the savings of the small producers and common citizens through the thousands of branches of the banking network, which were established after the nationalisation of 1969. The contribution savings, barring those of the corporate sector, that is calculated by government under household savings, contributed 70-80%

of the total national saving. Equation is very clear here. In addition to the plunder of the labour power of the proletariat working for them, the parasitic corporate sector is developing with the help of these household savings. Along with the parasitic character of corporate sector, this phenomenon is also a manifestation of the development of capitalist market network in India. Besides the savings in the post-offices, now there are more than 200 commercial banks and 120 rural banks, which have more than 80,000 branches in towns and villages! In no case, the Indian economy is in semi-feudalism stagnation. This stagnation is due to the perverted capitalism.

**Decaying Capitalism**—Along with the rejection of the thesis of semi-feudal stagnation, the Indian economy shows all the manifestations of capitalism infected with diseases of the imperialist era. Besides the above mentioned high degree parasitic behaviour of the corporate sector, it is also seen that the corporate sector is indifferent towards the development of science and technology. In a recent study, it has been shown that in the corporate sector the ratio of the R&D expenditure to sales is decreasing. In the phase of the economic reforms generally the Indian capitalist class instead of encouraging R&D has gone for the policy of import of technology. Due to this, the dependence of the Indian capitalist class on imperialism has increased. This policy change has created a demoralizing effect on the scientist/technician community and scientific/technological institutes now have to work in a situation of scarcity of funds and resources.

Industrial sickness is another manifestation of the decaying capitalism of India. Out of 33-34 lakh industrial units, now more than 2.5 lakhs are sick (7.5%). In fact this high rate is a specialty of the pro-control model where there were a number of restrictions blocking the closure of any industrial establishment by the capitalist. With the free market economy, as more and more labour laws are changed unfavourably against the proletariat and the philosophy of planned capitalist development is abandoned and the barriers against the closure of industries are removed, this rate of sickness will change qualitatively—instead of being sick, industries will be closed directly and this is what normally happens in capitalism. But, in any case closure of a large number of industries or the existence of a large number of sick units, is a manifestation of the general problems and anarchic character of the Indian capitalism. This is partly also the result of increasing influence of imperialism on the Indian economy.

**Unbalanced/Uneven Development:** — Capitalist development in its normal course gives rise to unevenness. Even in the healthiest capitalism it happens that agriculture lags behind industry or some sectors of industry grows faster than others. But in the development of capitalism in India this unevenness is very pronounced. This can also be seen in regional

developments as well as in the total structure of the economy. On the one side, there are developed states like Gujarat, Punjab and on the other side there are backward states like Orissa, Bihar etc. One unevenness is that the purchasing power of the people of the states like Jharkhand, Chattisgarh, which make a large contribution in the country's industrial production, is very low.

The national market that has come into existence is very extremely skewed. On the one side there are consumers who spend thousands of rupees by the end of the evening, and the other side there are crores of people who have to think twice before buying a pair of cheap rubber slippers for attending a marriage party or visiting a relative.

The economy is unable to absorb the youth that gets educated and trained out here. As a result, there is a "brain drain" from the country to the imperialist countries, and many of them, ironically, are contributing in technical developments which India has to again buy at high prices. The unevenness in technological development is such that bacteria filled drinking water and "ionized water" exist side by side; there are bullock carts with wooden wheels on one side and on the other side we see "supersonic jets".

**Inflation:** — The Indian capitalist class congratulates itself for being able to keep the inflation rate below 10% for most of the last half century. In its view, by this, it has successfully prevented the development of the objective conditions of revolution—when inflation had started getting out of its control in the years 1966/69 and 1973/75, the horrible scenes of mass movements had sent chills down its spine. Setting aside the delusions of capitalist class about its management skills, we still have to appreciate the nature of Indian economy as being an economy with controlled inflation. But it cannot be said with certainty that the conditions of controlled inflation will continue in future as well. With the abolition of control-regime and establishment of free-market system, the elements of anarchy, inherent in capitalism are increasing and the shock of high inflation can be felt at any time.

With in the general tendency of controlled inflation sharp rises and falls in the prices of various commodities keep on taking place. Sharp inflationary shocks in the prices of foodstuffs and other commodities that the toiling masses consume, which create havoc in their lives, are disturbances that often occur in the inflationary basket. Thus in spite of the general condition of controlled inflation, the life toiling masses is full of uncertainty, instability and humiliation because of its subordination to market economy. Even the general 10% inflation is back breaking for lives that exist in want and scarcity.

**Crisis ridden capitalism:** — In spite of the gradual growth in the graph of the economy, Indian economy is crisis ridden. This crisis is not at all semi-feudal stagnation. The nature of this crisis is capitalist. On the one hand, capitalism has become the main stream in the life of the people and it has brought people and the relations among them under its influence. On the other hand, it is not wiping out the humiliation, starvation and demoralization of old semi-feudal society with the vigour of a nascent capitalism.

Formation of the reserve army of the proletariat is the inherent motion of capitalism. Without the reserve army of the proletariat, capitalism can neither control the proletariat nor keep the profit levels high. Besides the employment of proletariat in factories or farms, they always keep a crowd of unemployed in front of their doors. The crisis of Indian capitalism is that the crowd of unemployed / semi-employed in towns and villages is greater than what is required. Indian capitalism has wrecked the structure of the old society, but it did not have the energy and momentum to absorb India's large population in the new production process. If this capitalism had come to power through revolution then the situation would not have been so precarious. But capitalism developed through reforms does not possess sufficient momentum and energy to usher in a new life for the people of India. From its very birth Indian capitalism has been infected with diseases and a large portion of the Indian population has not been able to participate in production activities of any type. This widespread unemployment is the acute manifestation of the general crisis of Indian capitalism and not of pre-capitalist relations (unemployment is itself a capitalist phenomenon).

Taking advantage of the weakness of the working class movement capitalists of the whole world are attempting to increase their surplus by keeping the wages low and extracting more work from the workers. Taking the cue from their imperialist big brothers, the Indian capitalists are trying to shift the burden of their crisis on the shoulders of the working class. To reduce the portion of wages/salaries in the cost of production, many prescriptions are being tried to increase the surplus value, such as increasing the target of production without any increase in the number of workers (productivity enhancement), reducing the number of workers by direct retrenchment (downsizing), employing contract labour in the place of permanent workers (casualization), etc. Labour laws are being changed to facilitate this process. As a result of all these the already existing problem of unemployment is growing more acute.

According to the common propositions of political economy, the wage of a worker is determined by the amount required to reproduce his labour power, i.e., by the amount required to maintain him and his family according to the normal material and intellectual level of

the life in that society. Normally this happens. The state power of the Indian capitalists fixes the rates of the minimum wage on the basis of this proposition. But only a portion of the of the Indian proletariat, working in the organised sector get this minimum wage or more than this. The other portion of the proletariat of the organised sector along with the proletariat of the unorganised sector and the rural proletariat work at a rate, which is less than the rate of minimum wage. Engels had given a vivid description about the phenomenon of wage depression in "The conditions of the working class in England". That phenomenon of wage-depression is a general feature of Indian capitalism and it is continuing since its inception till today. Reduction of wages in above mentioned manner is a big source of immediate profits for the Indian capitalist class, but it negatively affects the consumer market.

In the absence of agrarian revolution, the kind of capitalism that has percolated into Indian agriculture through reforms has created an extensive market, but this market is a lifeless market. The purchasing power of the crores of consumers of this market is very much limited and only 15-20 crores of people are the kind of consumers that the Indian capitalists actually want. Indian bourgeoisie does not have any means of solving the crisis of Indian economy, of reforming this low-purchasing power market. On the contrary, due to the monopolistic character of the Indian capitalist class and the growing intervention of the imperialists, the ongoing development is lopsided and it is making the crisis more acute and precarious, and the lives of the proletariat and its allies more miserable.

The crisis of Indian capitalism is chronic. It is there right from its birth. Infact Indian capitalism was born during the crisis of semi-feudalism. But its birth did not solve the crisis. Its character changed, but it remained. The growth rate of economy could not cross the limit of 3.5% till the 80's. In the 80's or 90's the growth rate crossed this limit, but this was achieved not by a qualitative leap in development of industry or agriculture. It was achieved by the expansion of service sector. The new model of 'free market capitalism' has also not been able to provide any solution to this crisis.

Often short-term crises crop up within this general long-term crisis of Indian capitalism. Some acute short-term financial crises like those of 90/91 or those of demand-supply have been cropping up regularly. There is hardly any five-year period in the Indian economy when it has not faced any acute short-term crisis. The occurrences of these acute short-term crises within the general long-term crisis create havoc in the lives of the working people.

The integration of the Indian economy with imperialism in the last decade has increased the volatility of the Indian economy considerably. If on the surface, the economy

appears quite stable, this is so because the Indian government still maintains a limited amount of financial control over it. If the control be slackened, then given the extent of integration that has taken place, conditions like Mexico or Indonesia can come into existence even here as well. All put together, instead of resolving the chronic crisis of India's economy, imperialism is creating new dangers for it.

### **III**

## **Superstructure**

In the contradiction between base and superstructure, normally the superstructure has been changing in accordance with the capitalist transformation of the base of Indian society and even today, the same is going on. Today the change in the base and its development has been determining the changes in the superstructure. Today capitalism is the base of the Indian society and it is developing. But a particular type of capitalism, 'free market capitalism' is developing in India now. Today the transformations of the both aspects of superstructure, state and non-state, are also taking place in the same direction. The state side of the superstructure is more similar to the base. The non-state side is relatively dissimilar. But the content of both is essentially capitalist. The form of the state side of the superstructure is more in conformity with its essence, whereas the form of many non-state aspects of the superstructure till now is pre-capitalist. These types of anomalies can also be noticed in developed capitalist societies. Japan and Spain are the representative examples. In these countries, even today, monarchy is continued in the formal (constitutional) way and a host of pre-capitalist forms are present in social customs and values.

## **Politics**

The relation between the base and superstructure is not one-sided and unidirectional and it is not always true that the superstructure will follow the base. It did not take place in India also. In the decade after Second World War it was the development of politics which was deciding the motion and direction of the economic development. In such a special

period and even normally the superstructure influences the base, and to overlook this fact will be non-dialectical.

Many adherents of the communist revolutionary movement in India are guided by this idea that democratic state is a must for capitalist base and in a state, which is not, fully democratic, capitalism can not be established as the main mode of production. This proposition is wrong. The emergence of capitalist mode of production and its development up to a certain limit takes place under a pre-capitalist state power. For the development of capitalism the essential requirement is the dictatorship of the capitalist class and not democracy. If the form of this dictatorship is parliamentary democracy then generally it is the best condition for capitalist development. But there can be times when for its preservation or expansion capitalism may have to adopt naked dictatorship. After 1950 the state power, which by then had moved ahead from the inherited British state power, was the dictatorship of the Indian capitalist class whose form was partially democratic. The period between June ' 75 to March ' 77 saw the imposition of the naked dictatorship of Indira Gandhi regime, in the interest of the Indian capitalist class. From then to now the partially democratic form is continuing and this form is acting as a mask of the dictatorship of the capitalist class.

In the last one and half decades Indian politics has been mainly determined by the activities of the capitalist class. In this period there have been struggles of the proletariat and other oppressed classes/sections and these have also developed up to a certain extent. But these have failed to produce significant impact on the form of Indian politics. The political manifestations of the crisis of Indian capitalism have brought two important tendencies to the fore. One is the end of the central domination of the Congress Party in election politics and the other is the direct action of the parliament and more specially the government as the manager of the capitalist class.

The first tendency is the manifestation of the general crisis of Indian capitalism. The capitalist development has not been able to provide any solution to the basic problems in the lives of the Indian people. As a result the people do not have any expectation from any programme of the bourgeois political parties. They consider politicians and parliamentarians as corrupt and immoral. In this situation of despair and mistrust, people's opinion is badly divided. In spite of this, more than 50% of the voters cast their votes. This does not reflect people's faith on the bourgeois parties; rather this is a manifestation of the democratic values and aspirations of the people. Partially this is also a manifestation of corruption in elections. The situation is that no party can get a clear mandate from the people. The end of the central position of the Congress



Party and the failure of the other parties to fill up this gap is also a manifestation of this. In this situation the parliamentary parties are openly pursuing caste/religion based sectarian politics as their election policy. In this situation of the people's opinion being divided the social credibility of the bourgeois political institutions is being seriously undermined by their extreme opportunism and the horse-trading of MP's and MLA's, defections in parties, etc. which they carry on to form governments. The continuous increase of corruption in society and the criminalization of politics is automatically pushing the working masses to the summing up that the elections and the parliament do not hold any hope for their class. Unfortunately, the Indian proletariat is not yet organised in a Communist Party at the All-India level and it is not in a position to advance this spontaneous summing up to revolutionary conclusions. In this situation of social crisis real proletarian politics can show the path of emancipation and the absence of such a politics is forcing a section of the youth to seek the solution of their problems in the terrorist path.

The second tendency is more related with the programme of economic reforms. The demands of structural adjustment have exposed all pretensions of 'parliament' of the whole country, 'representative government of electorates', 'bureaucracy in the service of government', free judiciary based on the principal of '*Satya mev Jayate*'. The axis of the proceedings of the Indian parliament and government during the 90's revolved around the economic reforms. The partisanship of the government and the parliament towards the private capitalists and that too towards the monopoly capitalists was exposed very much. The unpopular verdicts of the Supreme Court in the cases of BALCO, ENRON have unmasked it as the representative of the capitalist class. Along with the implementation of acts like POTA, after the changes in the labour acts etc. the old mask of 'state of the whole people' and the character of the bourgeoisie dictatorship has been exposed to a great extent. It seems that there are no more arms in the political armoury of the Indian capitalist class by which it can retain its validity and justification for its relevancy before the rest of society. This change is helpful to the cause of revolution. Communist revolutionaries should take advantage of this newly exposed weakness of the ruling class during their propaganda and organisational activities. State in this naked form of bourgeoisie dictatorship has sharply increased the oppression of the people. To the extent state got rid of its welfarist form, it has simultaneously strengthened its repressive machinery so that it may deal with the discontent of the people. In such a situation, limited democracy existing in India is becoming more limited.

The other manifestation of the ongoing process of tearing off of the democratic mask on bourgeoisie dictatorship is the increasing influence of Hindu fascists in Indian parliamentary politics. Previously, Jan Sangha which was a non-entity in the parliamentary politics in its new

form, BJP, now is the leading, a coalition government at the centre and is trying to saffronise the state power which was partially secular during Nehru's time. Normally the main concern of the Indian capitalist class is the increase of surplus value and capital. 'Secular' politics is generally better form for this. But it has given space for the saffron politics, of Sangh Pariwar because it is not able to find any way out of its crisis. This politics is helping it in their endeavour to break the unity of the working people and on the other hand the excuse of Muslim terrorism is allowing it a free hand to impose black acts and take dictatorial steps. Bourgeoisie knows very well that the use of Hindu communal politics in the place of secular politics in running its system is the acceptance of one thing that its alternatives are shrinking.

In spite of the development of these both tendencies, which are helpful for the creation of the objective conditions of revolution, it will be wrong to conclude that present situation of Indian politics is a situation of revolutionary crisis that conditions of revolution exist and the only lacking is organised initiative of subjective forces. No analysis can lead us to this conclusion. The present situation of Indian politics is not a situation of revolutionary crisis. At present there is no sign that the ruling class is unable to rule in the old way or the oppressed masses are in a rebellious mood. The present Indian State is nowhere at the verge of extinction, it is still strong and stable. The Indian revolutionaries have to travel a long way to smash this state. We have to prepare ourselves for a long-drawn struggle. The tendency of exaggerating the possibilities of the objective conditions gives rise to false optimism, which with the passage of time gives birth to frustration, unprincipledness/opportunism and creates obstacles in the process of bolshevisation of the revolutionary forces

Indian ruling class is continuously developing its military capabilities. Although in comparison to the militarisation of imperialist powers which are engaged in competition for worldwide domination, its military capability stands nowhere, nonetheless, as a regional military power it remains a significant power in South Asia and it tries a lot to establish dominating relations over the neighboring countries. Continuous reckless growth in defence budget, bargaining with different imperialist powers for nuclear weapons, expansion of various type of para-military forces and above all, the nuclear explosion in 1998 expressing its ambition to enter the elite club of nuclear power affluent countries; these are some of its important steps towards increasing militarisation. Imperialists, especially American Imperialists, in the post cold-war situation, accept Indian ruling class as a regional military power considering its economic and military might. Joint military exercises in the past are steps in this direction.

During this period an important change in the politics of Indian ruling class has taken place in the foreign policy. Foreign policy of any country is the extension of its domestic policy. By the 1989/91 with the disintegration of one pole of the inter-imperialist contradiction—the Soviet camp—it had become clear to the ruling class of India that for the Third World ruling classes, due to this the opportunities of bargaining have become extremely limited and that the same old foreign policy based on inter-imperialist contradiction (non-alignment etc.) had become irrelevant. It had become clear to them that for the development of its crisis-ridden capitalist system they had to keep their formal and limited opposition with the imperialists, especially with the American imperialist, in abeyance until such time when acute contention in inter-imperialist relations would again develop. So the Indian ruling class saluted USA, the leader of the world imperialist order. America also immediately extended its hand to small brother and patted its back. USA wants another friend like Israel against China and Islamic Nationalism. With the passage of time diplomatic relations have also been established between India and Israel and agreements have been signed between them in the fields of arms purchase and intelligence co-operation. In an indirect way the support of the Indian capitalist class towards Palestine liberation struggle is withdrawn.

There is a strong amount of anti-imperialist consciousness in the Indian society. This has been formed during the course of freedom struggle. Upto mid 80's this anti-imperialist consciousness of the Indian masses was helpful for the interest of the Indian capitalists and so they did not make any serious effort to oppose and stifle it. But from the mid-80's and especially in the 90's the intellectuals, the media and the politicians of the Indian capitalist class have undertaken an organised effort to make imperialism, especially American-British imperialism, acceptable to the Indian society. Intensive efforts are being taken to project the values of American bourgeoisie and family life as ideal. Help has also been taken from the Indian emigrants of England and North America. Indian bourgeoisie, which chanted the slogan of Vande Mataram half a century back and was till the 80's treated as an anti-American friend of the Soviet camp and developing countries, is today making a place for American imperialism in India. Today, the social prop of imperialism in India is not the feudal class, which lives in kothis-palaces, but the capitalist class. Joint exercises with American Navy or opening FBI office in Delhi could not have gained acceptance in the anti-imperialist consciousness of the 70's. Through the state machinery and the media the Indian capitalist class has been carrying out a prolonged and intensive effort to gain people's acceptance of the presence of American army and police officers in India. The growth of anti-Muslim sentiments in North America and Europe and the intensification of the influence of

Islamic fundamentalism in the politics of Pakistan have been used by BJP and the Sangh Parivar to establish imperialism, especially USA as friends of India.

But, to regard this new pro-Americanism in foreign policy, whose beginning should be acknowledged as the event of gulf war in which Chandra Shekhar Government sided with America and helped it militarily as overall foreign policy is incorrect. The Indian ruling class has tried to retain its traditional policy in the new situations of the 90's and it has also made America realize its political sovereignty. American reaction on Pokharan explosion in 1998 was not like one which the elders in a home would have on seeing the bursting of crackers by their youngsters at Diwali, American reaction was full of that sort of indignation and restlessness, than an established Don of a city would have seeing the exhibition of the pistols by young up beat lads. Similarly, White House definitely does not like it when telephone-bells ring between North Block and Kremlin or when, in the diplomatic circles of India, there is talk about the pleasures of Paris. But it can do nothing about this but keep grating. It is clear to the Americans that in spite of all these intimacies India is never going to be a puppet of the Americans, that instead of putting a chain around the neck of its running dog, it is dealing with a cunning fox. Even in the present favourable situation America does not seem to be capable of turning Indian ruling class in to its compradore.

## **Communalism**

In fact, the problem of communalism had come into existence during the colonial period itself. The divide-and-rule policy was developed by the colonialists and after 1947 the Indian politicians had been continuing with this policy to serve both their immediate and long-term objectives. But during the last one and half decade communalism is being used in the arena of national electoral politics in an ever-increasing manner and the methods of use have also been refined. In a sense the parliamentary general elections of 1984 was a milestone in Indian bourgeoisie politics when the effects of the Sikh massacre produced unexpected results in favour of Rajiv Gandhi and it became a precedent for the future. Following this lesson from Congressmen Sangh Parivar has used it more planning and more competently. The Rath Yatra of Advani, the

demolition of Babri Masjid, Kargil War, Gujarat riots are significant campaigns by the Sangha Parivar in national politics.

From the experiences of the last one and half to two decades it is becoming clear, whatever rioting is going on the religious questions in the country, it is directly linked with electoral politics. Riots are not occurring spontaneously but are well-planned and sponsored. Along with this, it is also becoming clear that success in politics opens the road to abundant wealth. In other words, the direct relation of communalism with capitalist competition has been fully exposed. In one hand, traditional religious values are weakening and due to mutually opposite values the phenomenon of spontaneous riots are declining. On the other hand, the hankering for making a career and amassing wealth in the arena of parliamentary politics has increased the sponsorship of riots. It is extremely important to differentiate between traditional religious disputes and conflicts and communal riots organised with the purpose of securing a gain in the electoral politics. The former is decreasing while the latter is increasing. The character of the former is pre-capitalist while that of the latter is purely capitalist. When in the second half of 90's the BJP-government combined Hinduvta agenda of the Sangha Parivar with ultra-nationalism, then the capitalist essence of contemporary communalism was clearly manifested. The anti-Pakistani and the anti-Muslim emotions whipped up during Kargil War have brought victory for the BJP in the capitalist competition for power and money.

The saffronisation of the bourgeoisie state has become an important phenomenon especially during the second half of the 90's. The Indian capitalist class had never gone over to complete secularism. Rather they based their policy on an incomplete secular platform which they characterised as platform of 'equality to all religions' Their leader and extreme ideal Nehru was an agnostic. But during the last few years a good number of bureaucrats of the Indian state have retreated from this position of 'equality to all religions' and in their own words 'The Hindu within them has woken up'. From the changes in school syllabus to the changes in the policy of recruitment of the para-military police forces, everywhere this change in the attitude of the Indian capitalist class towards religion can be observed and this is a manifestation of the deepening crisis of Indian capitalism and absence of any alternative for the Indian capitalist class.

For the development of Indian Revolution and unity of the working class, the struggle against Hindu Fascism is one of the most important tasks of the communist revolutionaries. But to base this struggle on the bourgeois slogan of 'equality of all religions' will be wrong. Intense struggle against religious obscurantism for the establishment of complete secularism can create a sense of security among the religious minorities of the country and true and stable unity among

the working masses. Religion is an entirely private affair and the struggle to totally dissociate it from politics and public life is the only correct communist policy. Making a distinction from the revisionist, the communist policy should be to relate the solution of the communal problem with the overall change of the system. It should be clear to the communists that the present communal problem is a capitalist phenomenon and cannot be solved within capitalism. On the other hand, while fighting against aggressive Hindu communalism, to overlook or make concessions to minority communalism is wrong.

In atmosphere of deepening crisis and its alternativelessness the ruling class of India is utilising all methods to blunt the consciousness of the masses. The present national-chauvinism is also directed against the minority communities. The ruling class of India has a long experience in the art of diverting the revolution along the wrong path. We have to fight vehemently against this ruling class trick. It should be especially kept in mind that our protest against war mongering is not based on bourgeois pacifism. The communist should clearly declare that the class interests of proletariats of both India and Pakistan are the same. It should be exposed that the nationalism preached by the ruling class of India, which is directed against Pakistan, is also directed against the working masses of India. By raising an anti-Pakistan and anti-Muslim bogey the Indian capitalists class is trying to throttle the possibility of a revolutionary outbreak and solve their crisis. Without exposing the intrigues and the plan of the Indian ruling class, any protest against nationalism will turn into pacifism. Correct protest against national chauvinism based on proletarian internationalism should be made by continuous political exposure.

## **Oppression of Nationalities**

Capitalist development in base has brought forward uprisings of many nationalities in India. The centralised character of the Indian state is incompatible with democratic aspirations of the nationalities. This contradiction has engendered struggles. These struggles are going on from the last decades of the last century. In some cases the struggles have become acute and in many places, have weakened. The character of these struggles is not homogeneous. Because of these differences in class-nature any homogeneous policy towards these struggles should not be adopted.

In some national movements the regional capitalists are leading the movements and are demanding a proper distribution of the resources among the states and their quota from the development plans and budget. These movements under the leadership of the regional bourgeoisie have weakened in the recent times. One of the causes of the temporary lull in these movements is the formation of the coalition governments at the centre in which there are representatives of the regional bourgeoisie. Secondly, the liberalisation-globalisation process has, to a great extent, tied the regional bourgeoisie with the all India market. Hence these movements under the leadership of the regional bourgeoisie can not advance upto the point of smashing of the basic structure of the present Indian state. These struggles for their demands will always remain confined within the boundaries of the Indian constitution.

The movements of the Kashmiris, Nagas, Bodos etc. are of different nature. The regional capitalists do not lead these movements and the demands of these movements are not the demands of the regional capitalists. The movement of the Kashmiris is not of the movement of industrialists, owners of tea gardens and big hotels owners, or rural capitalists. This is a movement of the petty-bourgeoisie of Kashmir. The same phenomenon can be observed in the national liberation movements of the North- East. The aspirations of the petty bourgeoisie cannot be fulfilled within the limits of the Indian State. That is why these movements are so militant and have developed into armed struggles. Failing to fulfill these demands the central state power of India is, on the one hand, trying to buy over the leadership of the movements and on the other hand, trying to break the movements by terrorising with its military and police.

The character of these movement against Indian state is not anti- imperialist. The imperialists also do not move against these movements and do not put pressure on the state power of India to crush these movements. Barring some Islamic fundamentalist tendencies in the movements of the Kashmiris the imperialists are generally seen to take formally neutral stand towards these and to give political asylum to some of these leaders and activists of the movement. They also instigate, covertly, these movements to put pressure on the central government. Due to this weakness there is very little possibility of these militants joining any anti-imperialist front. The proletarian elements in these movements should very consciously try to infuse anti- imperialist consciousness into these movements. Otherwise there is every chance of these movements degenerating into a movement like the national liberation movement of East Timor and thereby becoming a movement sponsored by the imperialists, loosing their democratic character and changing into reactionary movements. The proletariat should judge these movements from the proletarian class angle and not from the angle of bourgeois nationalism.

Supporting the demand of self-determination ( upto the point of secession ) the proletariat should extend conditional support to these movements and not offer absolute and unconditional support. The proletariat can neither characterise these movements as its own movement nor can it forget that it supports these movements to the extent to which these movements have the possibility of expanding political democracy and strengthening the fight against the Indian state.

## **Tribal Problem**

The population of different tribes of India is around 8 crores. These tribes are at different stages of cultural development. The development of capitalism has reduced their alienation and at present mainly have wiped out. These tribal communities are becoming a part of the class structure of the Indian society. Getting isolated from their traditional life style and environment, the pains and sufferings of these people have become acute. The normal course of development of capitalism is pushing these people towards the ranks of the unorganised proletariat.

The tribes, which have developed up to level of nationalities, have been waging struggles as a nationality against the capitalist state of India—like the Nagas, Mizos, Bodos, etc. The realisation of the complete right of self-determination will solve their problems. But the tribes who have not yet reached to the stage of nationality are a special problem before the Indian revolution. The communist revolutionaries have the responsibility of supporting the rights of these people over the produce of the forests (and traditional rights) so long these rights do not go against democracy and progress and this support will have to be continued until capitalism prevails. Our task is to make these sections of the population conscious of the historic mission of the proletariat and draw them into the common struggle for the abolition of private property. We have to earn their full confidence that the class conscious proletariat, after seizing power, will develop their dialects and preserve their equalitarian human traditions.

The displacement of these people from their environment for the construction of big dams and other projects is the natural course of development of capitalism. This is the condition of its development. The development of the productive forces in the historical sense, in itself, is progressive and we are not against it. We struggle during displacement of these tribal people by the capitalist regime, for the realisation of partial demands, to improve the conditions of life. We shall tell these people that in spite of thousands of efforts, under capitalism the rehabilitation arrangement for the displaced will be inhuman and cruel. This can be respectable and



humanitarian only in a proletarian state. Hence to fight for the establishment of only such a state is purposeful.

A bourgeois tendency, that has taken interest in the Adivasi problem, has gained ground in the previous decade. The adherents of this tendency propagate that the socialism under the proletarian dictatorship is also an oppressive system. They adorned with grandeur of the tribal culture are prescribing a third utopian way for the solution of the problems of the tribes which is neither capitalist nor socialist. The party of the proletariat should openly advocate before these tribal communities that the solution of their problems within the ambit of capitalist mode of production and under the capitalist state is an utopia and within a very short time this so-called third way will be amalgamated in the process of capitalist exploitation, which will go against the professed ideals of the so-called third way. It is essential that the party of proletariat should make clear to these people that only socialism can provide them a better life.

## **Language Problem**

As a part of the nationality and tribal oppression, the language problem has been existing in India since 1947. Firstly, the Indian capitalist class did not encourage the development of different languages and dialects; on the other hand, it strangled their development by not providing adequate funds and showing negligence. Secondly, without taking any step to reduce the dominance of the English language in the society, parallel to it they had tried to force Hindi language on the non-Hindi speaking people. This gave birth to struggles in different times. After the formation of states on the basis of language the problem was partially solved, but it remained in main. During the last decade, and before that as well, the Indian ruling class has been encouraging the English language for the acceptance of Imperialism in India. In this way not only did the linguistic oppression of different people of India increase, but also, their identity crisis has deepened. Along with the growing influence of imperialist culture, the expression of the masses is being increasingly stifled.

The struggle for the development of all languages and dialects is the only correct proletarian stand. Lenin had struggled against the dominance of the Russian language. Indian communist revolutionaries should also follow this example. They should protest against the establishment of English and Hindi as the link language, we should support equality of all languages and establish the truth, like Lenin, that with the abolition of the dominance of one or two languages the tendency to learn different languages would spread in society automatically.

Moreover the development of efficiencies in translation and computers has opened the path for the state to have its work done in different languages, easily. The proletariat's stand based on democracy and equality will be applicable not only for the languages of the formal citizens, but also for the languages of all nationalities who stay and work here, like the Nepalese or the Tibetans or the others.

## **New Social Movements**

After the collapse of the 'socialist' mask bearing states of the state monopoly capitalists in Eastern Europe at end of 1980s, all the anti-communists of the world have increased their campaign against communism. Along with this, new supra-class thinking has also been developed for the solution of the social problems, instead of class struggle, which is being fought under the leadership of proletariat. These new social movements, separating themselves from the proletarian outlook, are attempting to build up a new 'particular' ideologies. The stream of this new social movement in all forms like environmentalism, dalitism, feminism, tribalism, post-modernism has developed in India today. At present, mainly three types of thoughts are expressed by this. Firstly—Marxist thought and socialism have been buried and now what remain are capitalism and democracy, so this has to be improved. Secondly—due to the development of capitalism, clear and distinctive class-structure have been left behind and its place has been taken by different social identities like dalit, women, tribes etc. Therefore Marxism needs to be implemented in a new way. Thirdly—Marxism has a number of 'limitations' such as its Euro-centricity etc., or it cannot understand the inner human mind and alienation or it is less 'sensitive' towards dalit/ negro/ adivasi etc. and in order to overcome these Marxism has to be combined with feminism/ Ambedkarism/existensialism etc..

These new social movements which are developing in petty bourgeoisie and bourgeoisie environments are nurtured and encouraged mainly by imperialism and the local reactionary capitalist class and are commensurable with their class interest. Degenerated Marxists have also become the flag bearer leaders of these movements.

Parallel to and along with it exists the Non-government organisation phenomenon. Most NGO's are the agents of imperialism and capitalism. Even those that are not, they through their reformist programmes, also only serve capitalism. They create obstacles in disenchantment of the toiling masses from capitalism and thus, they try to divert them from revolution.

To expose the infiltration of these elements in the ranks of proletariat and toiling masses and to isolate them is a part of the tasks of the communists. The intension of these forces to delay the revolution should be exposed.

## **Education and Culture**

The changes in this part of superstructure in accordance with the free market economy model of capitalism, in base, have been very clear and fast.

After the new education policy of 1986, the government again planned to change the education policy in 1992. The plan of 1992 was a developed form of the plan of 1986. In 1986, for the aristocratisation of the education, at least the provision to open Navodaya Vidyalaya from government fund was there. In the 1992 policy, the plan for the commercialisation of government or government sponsored educational institutions was quite clear. The new educational institutions will be governed by private capital and profit will be earned from this investment. That means, bourgeoisie state power is instead of expanding education is giving in it the hands of the market forces and is limiting itself only to the task of management of education system. It is quite clear that through these policies that the education system will not only prepare those who will be needed by the capitalist system or will work for the establishment of capitalist values, but its units will also function as capitalist enterprises. The previous welfare mask on the capitalist character of the Indian education is being removed. On one side, it is the requirement of market economy, on the other; this is also an expression of its crisis.

In these changes there is another important change in education system, which has nothing to do with the structural adjustment. It has more connection with the deepening crisis of capitalism. The governments of Hindu communal politicians have taken steps to rewrite the history and change the syllabus. In spite of differences within the bourgeoisie, they have advanced to a certain extent in this direction. They are trying to replace partial secularism and incomplete democracy with Hindu Brahminism. In the education front the demand of the communist revolutionaries should be for a free, totally scientific education based on equality and not only for a democratic education free from feudal bonds/ values. The correct, actual fight will have to be launched for freeing education from the clutches of the market structure of sale/purchase and from capitalist values (specially from individualism).

The penetration of imperialism in the sphere of education and outside it in the wider cultural sphere, has increased. The important aspect of the present imperialist cultural invasion is

that it is establishing decadent bourgeoisie values, encouraging consumerism more than it is strengthening the feudal values. MacDonald, Coca-Cola does not have any interest in feudal traditions that take people away from greed-allurement (on which the capitalist market thrives) and promote asceticism. The media has been used extensively for the expansion of the imperialist culture especially American life style and in the last decade, the electronic media has had an unprecedented expansion. Now the reach of T.V. transmission covers more than 90% of the Indian population. The Indian capitalists do not have any difficulty with the western culture, especially the American culture because bourgeoisie democracy is very rarely preached, only as an exception. Instead of making citizens, this culture is producing consumers. Increase in the numbers and demands of the consumers are compatible with the interest of the Indian capitalist class. The content of our struggle against consumerism and the whole of imperialist culture are not for democracy against feudalism, but for proletarian culture against capitalist culture.

During this period, the distance between individual and individual has increased. Impersonal, alienated relations of capitalism have developed to a great extent among individuals living in the same environment, of the same class and community. Traditional community sense has weakened. On the one hand, people is suffering from the weakening of the human relations. On the other hand they are also trying to mould themselves according to the new culture. For the aged and for people marginalized from economic activities, the severity of the pain resulting from these new relations is far more compared to others. But more or less, all are suffering from the culture of alienation, which is inherent in the capitalist production and distribution. Communist revolutionaries should pose this issue among literary persons and cultural activists to expose its capitalist roots.

## **Caste-System**

In the last 1-1½ decades, two relatively new and important tendencies have made themselves felt in the caste-related phenomenon of India. First—emergence of the lower and middle castes in bourgeois electoral politics. Second—formation of private armies by the 'upper' castes for the repression of 'lower' castes.

There is no doubt that the emergence to prominence of dalits under the flag of BSP and of the middle castes under the leadership of reformist socialist leaders like Lalu-Mulayam in bourgeois election politics cannot happen without the weakening of the traditional caste bond and emergence of an educated middle class among the oppressed castes. The reason for this

phenomenon in superstructure is the successive changes in the base during the last three or four decades, whose root lies in the new capitalist production system. The new production system has gradually broken the caste system based on definite professions and in this way destroyed the age-old economic basis of caste system. The new opportunity of getting wages in cash, which the members of the oppressed castes are now enjoying in towns, in different villages and even in their own villages, has raised high their morale. The reservation policy of bourgeois state power has created a middle class among the dalits. The opportunity of education among the middle caste also did the same thing. The development of capitalist mode of production in agriculture has given well-to-do peasants of middle castes an opportunity for upward mobility, a chance to become rural capitalists. The prosperity of these new rich has created political aspirations, mobilising on the basis of castes they have become a player in the election politics. It is wrong to define any other basis for the reasons behind the political emergence of the lower and middle castes except the expansion of capitalist production relations.

On the other hand, the formation of armed gangs by the 'higher castes' to oppress 'the lower' caste is the attempt to retain the old feudal dominance. It is an attempt to maintain the extra-economic coercion. The point is whether this extra economic pressure is exerted to maintain the bonded labour system and other forms of bondage of the middle ages or to keep the wage of the rural worker at a low level. It is a common practice in the initial stage of capitalism to exert extra-economic pressure to keep the wages at a low level, and for getting the supply of labour whenever necessary. Marx-Engels had mentioned the use of state power for this in Britain. The formation of private armies by the rich of the higher castes is the attempt to keep the traditional feudal dominance in the superstructure, which is weakening due to the changes in the base. The breaking up of traditional customs of castes and the development of political consciousness of 'lower' caste has forced the 'higher' caste to take this new path. This is the feudal remnant in superstructure, which is being sharply manifested due to non-revolutionary transition to capitalism in the base.

In deciding their tactics in the context of the caste related phenomenon the communist revolutionaries cannot make the mistake of confounding caste with class. It is wrong tactics to equate caste-conflicts with class struggles and if this is done then, the proletariat and working masses of the upper castes will be treated as of the enemy camp. Communist revolutionaries can solve the caste problem only in the light of the proletarian class struggle and not by organising on the basis of castes.

As such, reservation for castes in the present society is not an agenda of communists. But if with reference to the oppressed castes it is being raised by the people of different ideology then as a partial demand, communist can support and normally do support. On their own Communists will organise the people of oppressed castes for the revolutionary change of the society and in their propaganda, it will be made clear that after revolution, there will be no need for reservation policy and how the caste problem will be solved materially and spiritually through mass solutions far better than the technical and administrative methods of reservations.

At this juncture of history, Communist Revolutionaries should make it clear to the people of oppressed castes that the capitalist crisis and the imperialists are creating hurdles for their development. Along with this, communists should also mention how they are being used by the bourgeois politics of the new rich and why only the proletariat and its party can be their true friend. Before exposing the bourgeois character of dalit/backward caste politics, communists have to fight against the new found attraction of backward caste/dalit ideologies among a section of their own rank and file.

## **Women Problem**

Women's Bill was placed several times in the parliament during the 90's but could not be passed. This event at the national level is the manifestation of two things at the same time. On the one hand, it is acceptance of the developing consciousness in women and on the other hand it is the reflection of the patriarchal and caste values of the parliamentarians. In the old society, there was no political and social status for women. In the emerging new society, their identity is being accepted. The capitalist development of the society has given them an identity, to a certain extent independent from males and at the same time it has created an identity crisis. Some representatives of the Indian capitalist class are trying to limit this yearning of the women within the boundaries of the parliamentary political arena, whereas the patriarchal and caste values of other representatives are creating obstacles before the bill.

All small or big events of the previous years have clearly shown that the issue of women liberation is gradually becoming a historical agenda. It is natural that different classes will take different stand on this. Bourgeoisie ideology tries to convince that patriarchal values are mainly confined within the family whereas the proletariat ideology does not limit the oppression of

women to the oppression of women by husbands, brothers, fathers, or male relatives only. The proletarian ideology fights to establish that the issue of the oppression of women has greater and deeper relation with private property and the state, than with patriarchal customs/ habits of the family. According to proletarian ideology, family customs/habits are only the manifestations of the power of private property and class, and without changing this material basis, they cannot be removed. Hence, question of women liberation is inseparably connected with the class struggle against the state power of wealthy people. The imperialists of the whole world are trying to separate the question of women liberation from the question of class struggle. They are trying to make it a supra-class movement, which, according to them, will not be against private property and class power. By this, they are trying to completely wipe out the credibility of the worldwide communist women's movement.

The social reality is that the capitalist class as a community exploits and oppresses women. Capitalist class earns profit from gender exploitation of women. To them femininity is helpful in selling commodities and is a market for cosmetics and other things. A lot of industry depends on patriarchal values, which sees the women as an object of enjoyment. Capitalist class creates the culture of women oppression in society for the fulfillment of its economic interests. The culture created by the capitalist class pervades the family and it affects extremely intimate relations in even the most democratic families. Domestic violence is the reflection of class and gender exploitation in capitalist society, whether it is done by mother, mother-in-law or men. The strong feudal past of India is helpful for oppression by the capitalist class. Capitalist class is running its business by adopting all the anti-women forms (if necessary with some changes) of the feudal society. By adopting all forms—from dowry to Raksha Bandhan and from Muzra to prostitution—Indian capitalism is expanding its markets.

Since the last few decades the increasing influence of imperialism in the Indian society is not solving, in any way, the problems of Indian women. Imperialist are trying to replace Sita, confined within the walls of the house with Hillary Clinton who is faithful to her husband's career even though he is unfaithful to her. So, it will be totally wrong to overlook the class nature of women's oppression.

To organise women as a community against the imperialist-capitalist and patriarchal feudal oppression and exploitation is the correct tactics. This does not break the class unity of the proletariat and other working masses. It is true that if the target of women's organisation is imperialism/capitalism, then women from ruling class families will be indifferent to it and will place themselves against it. The organisations, which will be formed by the communists, are the

organisations of women from the proletarian and the toiling classes, and its stand in favour of its class should be clear. The speciality of the present phase of history is such that a revolution against the private property is the only solution of women's problem and women will be an important component of it. The party of proletariat has to make many innovative experiments to develop a role for the women in the Indian revolution.

## **Total Super-Structure**

The contradiction between the super-structure and the base in India is changing in conformity with the capitalism established in the base. The state component of the super-structure, in its content and form, is capitalist from 1950 and it provides limited democracy. The non-state component of the superstructure has remained in the traditional pre-capitalist form, but a speedy transformation of content of these forms towards capitalism is going on. A number of pure capitalist forms have already been established in the non-state component of the super-structure—nuclear family in the place of joint family, spread of family planning etc.

The new super-structure which is coming up has its own contradictions. These contradictions are becoming sharper day by day. Suicides and frustrations, conflicts, riots etc. are the manifestations of these contradictions. These cannot be solved in a society of private property and individual life style. It can only be solved in a society based on collective life and social property.

It is the task of Communist Revolutionaries to make a scientific analysis of these social problems and to build faith among the people for a socialist solution of these problems.

## **IV**

### **Class Forces**

An unprecedented, massive and fast change has taken place in the class structure of the Indian society during the last four-five decades. This process has also continued in the last decade of the 20th century. As a result of this process, some new classes (which were not present previously) are coming into existence and some old classes (which have been present for



centuries) are becoming non-existent. This process of class-formation and class-decomposition has produced a new capitalist class in the villages or in the field of agriculture and has brought about an unprecedented expansion of urban capitalist class. It has produced a new class of rural proletariat parallel to the urban proletariat. Along with this, a large section of lumpen proletariat has also come into existence. In the new agricultural environment, old well-to-do peasants are transforming themselves into capitalist kulaks. Parallel to this the class of princes, nawabs, feudals, landlords is becoming extinct. Most of them have become new type of capitalist entrepreneurs and those who could not leave their old inert mentality have become paupers and have joined the ranks of new classes coming up in the society. The old type of permanent ploughmen and the landless laborers with all kinds of feudal bondages are no more characteristic feature of the village. Their place in the production system has been taken by the rural proletariat who works on contract basis for a short period. Bonded laborer is now an exception. Now, he is not a normal component in the villages. Different types of craftsmen have also become prey to this class-decomposition. Even now, the peasant community has not become non-existent, but differentiation among the peasantry is a very fast process now.

In this situation, Indian revolution will not be based on the old class forces. It will be based on the new alliances of the new class forces. This is true both for the friends and enemies of the revolution. Today, the classes maintaining status quo are not traditional, and those wanting to break it are also new. Therefore it is essential to take stock of the new class structure that has come into existence, take note of the state of its various components, understand the line-up of the friends and foes of revolution by analysing their class interests.

At present the class structure of the Indian society is as follows.

## **Capitalist Class**

This is the most organised class of Indian society. State power is in its hand. Congress, BJP, DMK, AIDMK, Janata Dal, BSP etc. who sometimes form coalition governments at the centre or are in power in the states are the parties of this class. Most of the assets and land of the country are either directly owned or controlled by them. Besides planning and regulating productive units under their ownership or control as per their wishes, members of this class have created many organisations at the national and regional level to develop the economy according to their interests. Besides these economic organisations, this class has its own political parties who

carry on the politics of this class in the parliament, in assemblies and other lower bodies. They also nurture many religious and secular cultural institutions for controlling social consciousness, values and sensibilities. The whole social system is working for the fulfillment of its class interest. Its total interest is in blocking of the progress of history at this stage. This class is the most inveterate and strong enemy of the Indian revolution.

At the top of this class, there are around 150 monopoly houses. Their companies are not only registered in different stock exchanges of the country but are also listed. In this aristocrat group, along with private capitalists like Tata, Birla, Premji, Ambani, etc. the directors of big industrial or financial institutions of the public sector should also be included. After this inclusion, this aristocrat group becomes almost double. Besides these monopoly capitalists, other members of the capitalist class are the small and middle capitalists, which means owners of the units of the small scale sector. They are not billionaires, but they are counted as '*crorepatis*'. Besides the small or middle level capitalists, non-monopoly capitalist in trade and service sector, bureaucrats of the government and politicians of different parties who fight elections; form a very large group. The active members of this group are around 40-50 lakhs and with their family member this number is 1.5-2.0 crores. Larger than this are the relatively 'poor' rural brothers of this group. They come generally, from well-to-do peasants and they represent modern agriculture and are becoming prosperous by exploiting the labour power of workers. Among these there are offsprings of old feudal landlords who are now organising their agriculture themselves, instead of giving land for share-cropping. The people from these two classes also invest in transport, storage and agro-industries. The membership of this rural bourgeoisie group is around 2 crores and with their family members, this number becomes around 6-7 crores. By exploiting the labour power of rural proletariat, this group prospers and is the most status quoist class and is the base of capitalism, in the rural area. The sum total of the members of urban and rural capitalist class is around 2½ crores and with family member this number is around 9 crores. On the strong basis of this broad class of non-monopoly capitalists whose numbers are equivalent to that of the total population of Afghanistan or Nepal, the world of grandeur of a few monopoly capitalists is erected. This class of monopoly and non-monopoly capitalists exists on the exploitation of wage labour and is the ruling class of Indian society.

The emergence of the most of the small and middle capitalists took place after 1947 in the protected economy. Similarly the broad group of rural capitalists has come into existence in the last 3-3½ decades. In his economic status, an average rural capitalist is not even equal to an average manager. His likings, habits or cultural level are still like those of rustic peasants. But,

with the similarity in class interest, he becomes younger brother of the monopoly capitalists. He is prepared to do every conspiracy or mischief with his monopolistic elder brother for the safety of the capitalist system.

There are many divisions and different types of groupings present within the capitalist class of India, i.e. division between the monopoly and the middle-small capitalists, the division between private capitalists and bureaucratic capitalists of the public sector or between industrial-urban and rural bourgeoisie. But, there is no such division as compradore of imperialism and anti-imperialist nationalist capitalist. This proposition of many people in the Indian Revolutionary movement is wrong that the non-monopolistic small scale industrialists are national bourgeoisie. Although, these non-monopolist small bourgeoisie have their own organisations but they are as much 'nationalist' and 'imperialist worshipper' as the organisations of the monopolists. These small capitalists do not have any nationalist political party; similarly monopoly capitalists also do not have any nationalist political party. On the question of anti-imperialism or pro-imperialism, there is no difference between monopoly capitalists and small capitalists, both double-speak. It is so because of concrete economic reasons. The share of the non-monopolist capitalists in the total exports of India is 35% (SSI). In this connection, to expect that these small capitalist, at some stage, will make complete rupture with the imperialism, is to overlook the actual ground conditions. In the analysis of the character of the enormous base of the pyramid of these industrial-urban capitalists (more than 31 lakh small production units of SSI) it is wrong to include these in the category of small workshops and small entrepreneurs. Small workshops and small entrepreneurs of the tiny sector belong to the petty-bourgeoisie class, not to the capitalist class. Normally, they manage the whole production unit themselves (they don't have capacity to recruit professional management) and in many units, they participate directly in the production process. Its existence is always rickety; its capital forms and breaks, units open and close. These petty-bourgeois element may support the complete rupture of Indian economy from imperialism.

The other side of the above mentioned situation is that the character of the monopoly capitalists of India is not the same as Chiang-Kai-Shek, Chhan brothers, T.V. Sung, H.H. Khung of China. They are not running dogs and compradores of imperialism. When monopoly-bureaucratic capitalist of China was bonded with a particular imperialist faction, their relations were of dependency and loyalty. In India the relation is not like that and the Indian capitalists are not tied with any particular imperialist faction. The monopoly capitalist of India is not dependent on imperialism for its existence. It has independent and separate existence from imperialism. They increase or decrease their distance from imperialism according to their need and they negotiate

with different groups of imperialists. The economic-political-military pressure reduces-increases with the changes in the international and national situations, they can never be totally free from this, but this is pressure, not the loyalty and dependency of a domesticated dog. The most appropriate term to define the relation of Indian capitalists with imperialism is junior partnership. Junior partnership is much better than comparadore and this is based on the state power and domestic market of the Indian capitalist class.

Another characteristic of the Indian capitalist is that from its emergence, it was never revolutionary or radical. All the components of this class have always been against the radical changes. It is a reformist class. It has reformist outlook towards feudalism—that also is not radical reforms, but gradual reforms. It has no interest in maintaining feudal stagnation and feudal land-rent. Its class interest demands that a national market should be developed; capitalist relations in place of feudal relations should be established in both base and superstructure. After getting state power in 1947, they have done this job gradually and reached a point when feudal exploitation is not main thing in our society, relations of capitalist exploitation and domination have taken its place. After a reform of half a century, still there are feudal remnants in economic base and superstructure. These reforms have given chances to feudals to adopt capitalist exploitation methods and the Indian capitalists have not confiscated their property.

The Indian capitalist class not only plans and controls most of the production and distribution, but it also directs the whole life of the country. Beside the rules and regulations, violence and terror of its state power, its ideological hegemony plays a major role in its management. The force of the ideological hegemony of the capitalists can be easily gauged from the manner in which, in the previous decade, it has been successful in implementing the economic reforms one by one without facing any big mass resistance. Capitalist individualism has become dominant in Indian society. Indian capitalist class knows the importance of ideological hegemony and it establishes bourgeois thinking/analysis through radio, T.V., newspapers, films, magazines, organisations, cultural activities, and political and semi-political organisations. To fulfill this aim, they are skillfully using all the pre-capitalist forms and institutions of Indian culture even in the 21<sup>st</sup> century. This does not democratize the consciousness of the Indian people, but they are trying hard for the bourgeoisification of Indian society. They want to change Indians in to the consumers without making them citizens.

## **Peasants**

In the beginning of the 21<sup>st</sup> century the total working population of India is 40 crores (31 crores main and 9 crores part-time). The number of peasants (who cultivates himself or has his field cultivated) is 12.7 crores. Since the tradition of share cropping/agriculture on rental land has decreased (less than 1/10<sup>th</sup> of total land and less than 1/8<sup>th</sup> of total land holdings) hence more than 10 crores peasants, who do not pay rent are self-cultivating.

But, 5 crores from the lowest layer of this 12½-13 crores peasants cannot be called peasants according to political economy. Out of 12½-13 crores peasants, 5 crores do not have more than 1 acre of land (½ acre in the irrigated region) and more than 7 crore do not have more than 2 acre of land (1 acre in the irrigated region). In case, some of these marginal farmers do intensive farming in these tiny holdings by cultivating vegetables, then also 5 crore are peasants by name only. To maintain their families, they do some other work (normally wage labour). It is correct to put them in semi-proletarian category.

Similarly, upper 1¾-2 crores landlords are peasants by name only. They are farmers or rich peasants prospering by exploitation of wage labour of the rural proletariat. Agriculture is profitable for these people. To consider them as rural capitalist is correct according to political economy.

More or less 6 crore, of working population who are neither rural capitalists nor semi-proletariat, can be taken as peasants. They can be divided into two categories—small peasants and middle peasants. There are around 4-4½ crore small peasants. Considering geographical differences, fertility of land, supply of input and level of development of agriculture, small peasants normally own upto 2 acres of land in the irrigated areas and upto 4 acres in the non-irrigated areas. If intensity of agriculture and investment in it is increased, then this limit should be lowered. They and their families (10-12 crores) live in poor conditions. There is debt burden on them and in bad times they have to take loan from rich relatives or have to approach other sources. They do not have the provision for savings in their economies. Since more than 90% of them are self-cultivator, they do not pay any land rent to anyone, so they are not directly exploited. Their exploitation is done by market mechanism and profit from this exploitation mainly goes to the industrial and trading capitalist. Upto a certain extent the rural capitalists also take advantage of it.

Revolution is beneficial to the small peasants, so they are its reliable ally. First of all, revolution will free them from the exploitation of market controlled industrial and trading capitalists—inform unequal exchange monopoly conditions. Second—revolution will free them from the debt burden. Third—revolutionary state power will free them from the fear and want, give them loan and other facilities without interest during the time of accidents and unexpected

necessities. Fourth—it will make them free from oppression of rural rich and terror of state power. Fifth—revolution will arrange for their cultural development and will give their children a future, etc. Due to their hard life, small peasants have benefits in the anti-capitalist revolution. After revolution, they will relatively easily accept socialist cooperatives. After the proletarian state becomes stable, they will not have the greed for private land and will also be ready to go for socialized agriculture.

Above the layer of small peasants, there is a layer of 1½-2 crore of middle peasants who are relatively happier in rural India. The size of their holding and the level of capital investment (fixed and working) is such that 4-5 crore family members of this category can spend their life without want. If necessary, they use rented labour in their field—that means a small variable capital is also a part of their economy. Due to the old caste values of India, the phenomenon of not participating in cultivation work is widespread. If the yield and other conditions are good, they can also save something for the next year.

The middle peasants, on one side, exploit the labour power of wage labourers who work in their fields; on the other hand, they are being exploited through the market mechanism by industrial and trading capitalists and upto a certain extent by the rural capitalists. They have to pay a good amount as interest to the banks and they remain in tension for the payment of future installments. There is little possibility of upward movement for them and with the deepening of the agricultural crisis, their problem is increasing. Sometime they want freedom from the interest of banks, plunder of market mechanism, agricultural crisis but they are not reliable ally of the revolution. They are vacillating ally of the Indian revolution and they cannot be in alliance with it in primary stage of the revolution because of their ambitions and prejudices towards private ownership. At the primary stage they should be made neutral and this should be the normal tactics. After the stabilisation of the victory of revolution, their vacillation ends.

Peasants with more than 4-5 acres of land in irrigated area and with more than 8-10 acres of land in non-irrigated area generally come under the category of rich peasants. With the intensity of agriculture and capital investment this limits goes up or down. The normal practice of this category is that they use a large amount of labour power and agriculture is clearly a means of capital accumulation for them. For a class whose members consist of owners of the land given on lease or distributed by government, old landlords, and kulaks who came into existence after the introduction of new capitalist agriculture, the abolition of this exploitative system is harmful to it and therefore, it is dead against the revolution. Combining with the big landlords, these rich peasants are enemies of the Indian revolution. Akali Dal, RJD, SP, Shetkari Sangathan of Sharad

Joshi, Bhupendra Singh Man, Balbir Singh Rajewal's Bharatiya Kisan Union, etc. or parties of Ajit Singh, Om Prakash Chautala, Deve Gowda are the political institutions of this class. There cannot be any strategic alliance of the revolutionary classes of India with these big peasants (it is impractical to refuse the possibility of forming tactical alliances in special situations).

We have identified the lowest layer of peasantry, around 5 crore operational landholders as semi-proletariat. We will do an analysis of the class-interests and character of this class separately.

Peasantry is the heir of the old Indian society. This is not a new class in Indian society. Development of capitalist mode of production in the country is increasing differentiation within it and dividing it into different classes with different interests. Side by side this development is transforming the lowest layer of peasantry into wage labourers by ruining them and this peasant community is shrinking compared to the rest of the Indian people.

In spite of being a revolutionary class, small and middle peasants are the most unorganized and the most backward among the people of India. Being connected with backward productive forces and scattered, their political obscurantism is more pronounced. In a large portion of the country, they remain indifferent to national and international politics and keep their political activities limited to casting votes for the parliamentary parties. In many places, being ignorant of their own class interest, they have rallied behind the votaries of 'homogenous peasant interests', i.e. the rich peasants' union. There are some exceptions where they are conscious about their class interest—these are the districts where communist revolutionaries equipped with the revolutionary ideology of the proletariat, have been attempting to organise them for a long period.

## **Petty-Bourgeoisie**

Apart from the peasantry, there is a large section of petty bourgeoisie class, which is not a traditional class of India; it emerged with the development of capitalist mode of production in India. In spite of being an emerging class during British period, it has come into existence during the last 4-5 decades after 1947. It consists of around 5-6 crores of working people, with 15-17 crores population. It is not a homogenous class of Indian society. Diversity is its identification. It consists of small entrepreneurs and small workshop owners; it consists of persons from the range of lower level journalists to all type of retailers; it consists of teachers, clerks, computer operators and all such type of people. But the aspirations of all of them are same and the tragedy of their lives is also the same. All of them try to become a member of their upper class, ruling capitalist

class. And the fear among them is that their full attempt cannot fulfill their aspirations. CPI, CPI (M), CPI (ML-Liberation) etc. are the representative parties of this class (including the small and middle peasants).

The other speciality of Indian petty-bourgeoisie is its educational level. Most of the members of this class are educated. The intellectuals for both types of forces—revolutionary and reactionary are made available by this class. In a country like India where the society has remained backward, where illiteracy is rampant and where the intellectual level of education is also quite low the influence of the intellectuals is many times more than their numbers. Normally, if we talk about the whole class then in the dormant conditions of the revolutionary struggle, this class is more vocal relative to its number and economic position. Indian ruling class is very conscious of this speciality of the middle class. They try to keep them silent by giving them more benefit or concession than the other classes. State power of the ruling class directly bribes the intellectual members of this class—actors, scientists, successful journalists, professors, engineers, etc.—with high salary and other honors. High salary with extra benefits, honours—provided by the state power has made this class—especially its intellectual members insensitive towards the pains and sufferings of the remaining society. State power is successful in distancing them from the exploited and oppressed people and bringing them nearer to the ruling class.

It is a vacillating class, like middle peasants, w.r.t. revolution. For the success of the revolution, it is essential to overcome the vacillation and instability of this class. At least, it must be neutralized. During dormant situation, political propaganda must be done among the intellectuals to recruit them as the sympathizers, activists of revolution, because these elements have social influence many times more than its number. As because it is a new class it is less affected by inertia than the traditional classes and so the acceptability of revolutionary propaganda among its younger members (specially the student community) is more.

## **Semi-Proletariat**

Today, there are around 4 thousands cities and towns in India, (35 cities of them with population more than 10 lakhs). More than 28.5 crore citizens of India live there. A large number of poor people among these citizens are people who do not labour for others but labour for themselves. The situation is such that they do not have enough capital to employ somebody and



exploit his labour. These small-capital owners lead lives like the proletariat and during small or big crisis in capitalist society become ruined. Pan shop owner, cart puller, hawker, rickshaw puller, cobbler, etc. who do their own work in cities and towns are the semi-proletariats. The number of this urban semi-proletariat is around 3-3.5 crore (with family members this number is around 7-8 crores). To place them under petty bourgeoisie category is wrong.

There are innumerable peasant families in Indian villages with a small piece of land who under any condition cannot maintain their family from their own land. They are forced to do some other activities for the maintenance of the family—like starting a small shop, working as a hired labour, selling milk etc. More than 5 crore of peasants come under this category (more than 40% of the total peasants). They own less than 4% of the cultivable land. To treat these, very marginal landowners (who do not have even 1 acre land in non-irrigated area or ½ acre land in irrigated area) as peasants and to prepare agrarian programme on this basis, means a refusal to accept the new economic reality. They are not the poor peasants of Mao's pre-revolutionary China, who used to get land from the landlords on rent and had to transferred land-rent. Today, in India more than 90% of the land is self-cultivated, only less than 10% is given on rent or sharecropping. The condition is such that 40% of these extremely marginal landowners are not able to cultivate their own land. They go for other jobs—it may be selling of milk or anything else. They are semi-proletariat of India and the closest friend of the rural proletariat. Apart from the peasant (small or middle), they can be separately organised with rural proletariat in many places of India and this will be correct practice.

## **Proletariat**

Proletariat is the most revolutionary class of Indian society and industrial proletariat is its most revolutionary section.

There are more than 1 lakh 34 thousand factories in India and more than 1 crore permanent industrial labour works there. There are more than 2000 factories where more than 500 workers are employed. Huge factories where more than 5000 workers engage in production and work in co-operation with each other number more than 50. These industrial workers are associated with the most developed productive forces and are a part of it. Along with this, they are bound with the most advanced production relations in Indian history.

The number of workers in the secondary sector is more than 4 crore and there are around 5 crore workers in tertiary sector. In primary sector 20 lakhs workers work in mines. In total, excluding agriculture, there are around 9 crore workers.

The number of agricultural labourers in the country is around 10½ crore. There are more than 50 lakh workers employed in forestry, fishery, animal husbandry, plantation and related activities.

The number of different types of workers in the country, by any calculation, is more than 20 crore (excluding aristocrat middle class worker). On the whole, proletariat is not only the most revolutionary class but it is also the largest class, in size. It is half of the total working population of India. By their sheer numbers, they are defining the character of revolution—that it is going to be a proletarian, not a peasant revolution.

The sum of proletariat and semi-proletariat population is more than the 2/3<sup>rd</sup> of the working population of India. The character of the coming revolution becomes more clear from this. In the vast hinterland of India, the proletariat will not only lead the struggles, but these 15½ crore proletarians and semi-proletarians will also be the main fighting force. Small peasants will be closest ally of the proletariat in this revolution.

If we want to estimate the present consciousness of the Indian proletariat, then the most important fact is that the number of employees working in the organised sector is more than 2 crore 80 lakhs (they work in units where at least a permanent team of 10 workers work together). More than 2 crore of those working in the organised sector are proletariats. In other words, at least 2 crore workers, work with their comrades in a disciplined way cooperating on a pre-planned project. There is no doubt that they are the nucleus of the coming revolution. They are the most developed group in Indian society.

The total number of members of the officially registered trade unions, according to the verification of the labour ministry of Indian government in 1994 was more than 1 crore 5 lakhs. Although, the aristocrat labour and other middle-class employee are also included in this, but still it is a measure of the class-consciousness of Indian workers. They represent the desire of the Indian working class for collective bargaining/political activities. In the 90's, on an average there were more than 1,300 strikes or lockouts per year, 11 lakhs employees participated in it and normally more than 2 crore 20 lakhs man-days were lost. This happened when 1 crore 5 lakh workers were organised under the banner of the pro-establishment unions like BMS, HMS, INTUC, CITU, AITUC etc.

In our country the state consciously created a small section of labour-aristocracy, by giving these people special facilities. In the workers movement, it is mostly members of this group who occupy leadership positions. To some extent this leadership binds itself to the interests of the bourgeois state. It is because of this reason that when in the decade of 90's, the state started going against its earlier policies and openly started attacking this labour aristocracy, along with its concentrated attack on the broad proletarian class, this established leadership of the workers movement could not build any worthwhile resistance. This is the most important reason for the degeneration of the present workers movement.

A spontaneous tendency of undertaking independent activities was seen among the unionized workers in the 90's, which was manifested through the steps taken by some of the workers to break away from the pro-establishment unions. Whenever communist revolutionaries made contact with representatives of this tendency, the results were good. The communist revolutionary movement divided among different pre-party organisations is the political representative of the proletariat.

The number of the non-agricultural proletariat in the un-organised sector (working places where less than 10 workers work permanently) is three times greater, i.e. more than 6 crore, in comparison to the numbers of the proletariats employed in the organised sector. The workers of the un-organised sector—from the brick-kiln workers to the workers of the non-mechanized mines, female domestic servants to porters, from road construction male-female workers to child workers of the carpet/ slate industry, from the weavers to the zari workers, work and live in a very horrible conditions. The means of production and working conditions are backward and there is relatively less possibility of learning and developing mutual co-operation among the workers, but they work under developed production relations (the relations between the wage labour and capital and due to uncertainty of work, they are quite acquainted with the situation of the country/society. Generally, they are free from local inertia and narrowness of peasants to a great extent. Due to the direct exploitation in the production relation, oppression and hard life, they will be the flag bearer of the revolutionary alternative to the capitalist society and due to their deep interrelations with peasants and other sections of the people, they will be good political propagandists of the party of the proletariat among the semi-proletariat and peasants and will be leaders of their struggles.

The 10½ crores agricultural workers in rural India are a strong pillar of the Indian revolution. They are a new class of Indian society and they are relatively free, in comparison to their ancestors, from feudal bondage and oppression (not completely). Poor living conditions and

exploitative production relation—which become more cruel and naked with the demise of the feudal traditions, more them anti-establishment and push them towards revolution. Migration from backward agricultural areas to relatively developed areas in search of work is quite prevalent among this class. This migration adds to their experience of life and broadens their mental horizon. This is the most developed and revolutionary class in the villages; they are relatively free from timidity and conservativeness of small peasant mentality. The other oppressed sections of rural India will be organised around this new, homogenous and huge class liberation and struggles will be fought.

Along with the huge semi-proletariat population, the rural proletariat becomes the biggest class in rural area. Those Communist Revolutionaries who overlook the importance and separate role of this class in the forthcoming revolution are making a big strategic mistake. Apart from agrarian programme for the peasants, rural proletariat of India needs revolution for its independent class interests; it has an independent agenda in the forthcoming revolution.

From the analysis of the present class composition of Indian society, central conclusion comes out that this revolution will be a proletariat socialist revolution.

In the form of formula, its strategic line is like this:

*Aim of revolution:* End of the capitalist production system (plus freedom from imperialist exploitation).

*Main enemy of the revolution:* Entire urban and rural capitalist class under the leadership of the Indian monopoly bourgeoisie, and Imperialists behind them.

*Main fighting force of the revolution :* Proletariat of the organised and unorganised sector, rural proletariat and rural/urban semi-proletariat, under the leadership of industrial proletariat.

*Immediate Reserve of revolution:* Small Peasants.

*Vacillating ally:* Middle peasants and other Petty-bourgeoisie.

*Direction of main blow :* To establish proletarian dictatorship by overthrowing bourgeois dictatorship.

*By-products of revolution:* Completion of unfinished task of democratic revolution and end of all forms of pre-capitalist exploitation-oppression .

## V

### **Preparations for the Revolution**

Because of the changes in the base and the super-structure which occurred in the Indian society during the last one and half decades, its capitalist character has become more clear. The class composition of the society has changed so much that it also reveals the proletarian character of Indian revolution—that is a revolution where all proletariat and semi-proletariat under the leadership of industrial proletariat will be the main fighting force and its most reliable ally will be the small peasants. Middle peasants and other urban and rural petty-bourgeoisie will be the vacillating allies. Based on the strategic alliance of three classes, this revolution will be anti-capitalist and as a by-product it will complete the unfinished tasks of democratic revolution.

To break the imperialist frame and to make India free from imperialist exploitation-oppression will be one of its main tasks. To complete this task, it will make the social basis of imperialism—all urban and rural capitalists under the leadership of monopoly capitalists—as the main target of attack.

The proletarian revolution of India will at the same time, abolish feudal remnants and complete the pending tasks of the democratic revolution. Now there is no necessity for organising a separate revolution for this, and no section of capitalist class will support the proletariat in completing this task. The upper section of the peasantry also (now) does not have any interest in this. Infact lack of democracy is helpful for the exploitation of agricultural labour by these kulaks. On the other side, rich peasants are not under the dominance of feudals. Hence, to complete the pending democratic tasks, entire peasant community will not come forward.

Today anti-feudal and national tasks of Indian revolution will be completed by the socialist revolution of the proletariat. These currents of the Indian history have been assimilated in the stream of anti-capitalist socialist revolution.

This revolution will take place under the leadership of industrial proletariat of India.

The proletariat will lead this revolution through its party, the Communist Party; and being a well organised conscious class, it will also lead the other classes in the revolution. Today, the Indian proletariat is neither conscious enough to lead, as a class, the other classes of the society in the revolution nor does it have an All India based Communist Party. This situation places two pronged (but interrelated) tasks before the communist revolutionaries. On the one hand, the central task of the Communist Revolutionaries is to help the scattered pre-party-organisations in building on correct ideological-political-organizational line and to clear the road for the establishment of an All India Communist Party. On the other hand, Communist Revolutionaries have to lead the Indian working class out of the clutches of the pro-system politics and make them acquainted with their historic mission, and they should be made so conscious that they could lead the other classes of the society. The access of communist revolutionaries among the friendly classes/sections of the revolution and their work among these classes/sections depends a lot on the progress of the above mentioned dual tasks. There are limits to the access of communist revolutionaries among the friendly classes/sections if these tasks are overlooked, and they will not be in a position to save themselves from serious deviations as well.

For the coming revolution, Indian proletariat needs a Leninist Party. Today, the biggest problem in the formation of a Leninist party is the ideological immaturity. The shallow understanding of Marxism leads us, the Communist Revolutionaries, to wrong conclusions and weakens our unity. At this present juncture of history, Indian communist movement faces greater danger from rightist trends. After the capitalist reversal in China, different types of rightist tendencies have strengthened in our movement and some Communist groups are quite afflicted by this, some are even becoming revisionist. In order to emerge from this problem, it is important to openly criticize them in the entire communist camp and to ideologically struggle against them in our organisations. It will be fatal for our revolutionary movement to overlook the importance of ideological struggle or permit the tendency of side tracking such issues under the excuse of the pressure of mass work or other organisational preoccupations. Without doing a political sum-up of the practical activities of the different organisations in our movement, and without theoretical struggle on important issues ideological maturity cannot be achieved. Without this, formation of a Leninist Party is impossible. The differences of opinion on the strategy of revolution, tactics, organisational line etc. can only be solved by theoretical touchstone of scientific socialism.

The pre-condition for a revolutionary group or party to become a Leninist Party is the physical presence of workers in that group/party. To march ahead in the direction of building up of a Leninist Party, it is not sufficient for the constituent organisations of our movements to utilize

most of their energies in organising the basic toiling masses. It is true that comrades coming from the environment of semi-proletariat and small peasant class, strengthen the character of our party but until comrades from the proletariat background do not join, the proletarian character of party cannot emerge. The possibility of building a party based on workers has increased a lot after the capitalist development of modern India during the last decades. To take complete advantage of this condition, the main portion of our energy should be directed towards the proletarian class. Basically building a party of urban and rural proletariat, we have to attract other ally classes/stratas towards the Communist Party. To organise ally classes/stratas is our priority but it should not be placed in equal footing with the or above the party work among the proletariat.

How much a communist organization or party is free from the mentality of private property can be tested by its internationalism. In India where private property is very deep rooted, the mentality of private property in different forms—localism, sectarianism, organisational self-centeredness is manifested within the mentality of communist groups. To be free from these diseases, we have to understand that Indian revolution is a part of international proletarian revolution, that we should be as concerned about international struggles as we generally are with our own struggles. Our support for these struggles should not be limited only to morale support, it demands maximum possible physical contribution and if it demands then sacrifices should also be made for it. The development of internationalism in Indian communist movement will clear the road for establishment of a united Communist Party.

Under the important task of party formation and party-building, developing the whole of the working class as a leading class of Indian revolution is a significant part of the preparations of future revolution. Today, a large section of the proletariat (rural proletariat or most of proletariat of unorganised sector) is unorganised. Those industrial proletariat who are organised through trade union movement, have a trade union movement which is also completely immersed in the mire of class-collaboration and legalism. People with several types of capitalist ideology—stretching from revisionist to Hindu fascist are giving leadership to the proletariat's trade union movement. Only a minuscule part of the trade union movement is organised under the leadership of communist revolutionaries. To pull the trade union movement of the industrial proletariat out of class-collaboration, economism and legalism, the proletarians have to be organised around a new centre, formed on the basis of proletarian outlook and proletariat's historical mission, by breaking the present structure of the central trade unions. The present structure of central trade unions has become an inseparable part of the control mechanism of the capitalists. It is not only useless and lifeless for the revolutionary struggles of proletariat, but its managers are shrewd and conscious

opponents of revolutionary struggles. They try to limit all proletariat's struggles within economism and reformism. To pull out the industrial proletariat of the organised sector from the mire of economism, reformism and to make the proletariat conscious of its separate class interests and historic mission is one important task in the preparation for future revolution. Communist Party is the most advanced detachment of the proletariat, but it does not replace the leadership of the whole of proletariat in revolution. The proletariat can give leadership in revolution to the extent upto which its political consciousness has developed. In revolutions, the initiative of the communist party enhances the leading role of proletariat as a class, but it is not the displacement of the role of the class.

Maintaining its own separate class identity, proletariat will form united fronts in revolutionary struggles with other friendly classes of revolution (semi-proletariat, middle peasants and other sections of petty bourgeoisie). Without the united front, the revolution cannot be successful. But when participating in united-front, proletariat cannot make the mistake of forgetting its ultimate aim and treating the immediate programme of friendly classes as its own programme. Just contrary to this, proletariat will try to rally the friendly classes in the united front, on its own immediate programme (which is a part of its long term programme). In no case, will it make a united-front (leaving its own class interests), for the maintenance of small-scale production. Proletariat will undoubtedly support the partial demands of his friendly classes against imperialist, capitalist exploitation and feudal remnants but it will also remind his friends at every step of their struggle that their complete emancipation will be possible only in socialism and not in any "humane" form of the present society. Under the above proposition, Communist Revolutionaries as a politicians of the proletariat, should work among its friendly classes/stratas and mobilize them for revolution.

While preparing proletarian and friendly classes for the revolution, communists, on the one hand, taking the full advantage of limited democracy of Indian state-power will develop legal struggles, at the same time, they will have to make the oppressed people aware of the importance of breaking the legal framework for their emancipation. Outside the legal framework, we will build struggles of the proletariat and its allies. Alongwith this, we will prepare for the general insurrection against state power.

In sum total, the condition is that today the revolutionary crisis is not imminent. Despite this the, Indian ruling class is continuously crisis-ridden. Every next crisis becomes more severe for the ruling class. The economy, in conditions of near stagnation is increasing political instability more and more. The imperialist countries are putting the burden of their crisis upon countries like



India, and in turn, Indian ruling classes are putting the burden upon the working class and toiling people of this country. Due to this, the life of the people is becoming more and more unbearable. Such a situation is deepening the all around crisis – economic, political, social and others. Indian ruling class is equipping itself with all types of oppressive weapons to save itself from the toiling masses in the coming days. This is an indication of its isolation from the broad toiling masses of the people. This is not the sign of ruling class's strength but of its weakness.

On the other hand in the face of all round attack of the ruling class, the working class and broad toiling people are trying to engage themselves in struggles even if at present this be in a scattered manner. The revisionist-reformist leadership had already pushed the workers movement into a blind ally. Now in the face of new attacks from the ruling class, they are incapable of providing leadership. In the face of new attack, the current established leadership became dumb-found. Under a new leadership in some places, the working class is taking initiative. Different sections of the toiling people are rebutting the attacks of ruling class in some places spontaneously and in some other places in an organised manner. The torrents of mass-struggles will become stronger in coming days, and at this point of time, the role of communist revolutionaries will be significant and decisive.

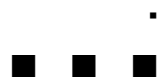
Any system may be crisis-ridden severely, it may be utterly rotten, but neither will it not collapse on its own, nor will it vanish from the stage of history. It has to be pull down by force. It will not collapse spontaneously, but by conscious and organised efforts. We, the communists, will lead the struggles of the working class and broad toiling masses in coming days. We shall not only explain/describe the politics of the country but will give direction to it. Instead of tailing behind events, we shall determine them. By doing this, we shall accomplish the socialist revolution.

Certainly, the path is zig-zag and difficult, but victory belongs to the working class and to the toiling people, it will be ours.

It is our responsibility to change this historical truth into reality. Let us prepare to accomplish this task.

**Long Live Socialist Revolution!**

**Long Live Marxism-Leninism-Mao Tse-tung thought!!**



## **Document - II**

### **ORGANIZATIONAL LINE**

Today there is no unified All India communist party in India. The entire communist revolutionary movement is divided into small groups. Though some among these groups call themselves communist party but that is not a reality.

In the present organisational state of the communist revolutionary movement of India, the elements of both present group and future All India communist party will be present in the organisation at line of any group. The organisational line will combine in itself both the present and future.

The organisational line must incorporate the gist of the all accepted organisational line laid by the Third International. But at the same time, some special features in keeping with the present state of the communist revolutionary movement in India must also be there. Only the development of this kind of a comprehensive organisational line can correctly fulfill the task of formation and building of unified communist party in India.

The Communist Party is the party of most revolutionary class of history – party of proletariat. It is a party of only this class and of no other class. It is the vanguards of the working class its general headquarters. It is the highest and most organised detachment of proletariat.

The objective of this communist party is to overthrow the enemy classes from power under the leadership of the workers by uniting friendly classes, establish dictatorship of the proletariat, and finally create classless communist society.

This communist party will be the vehicle of revolution. Without this party proletariat is weaponless. The proletariat can bring about revolution and proceed towards classless society only by organising itself in this communist party.

In order to be able to reach its goal it is necessary for it to have a permanent central leadership with communist consciousness and experience who in all its ups and downs of revolution can provide leadership to the party and through it to the proletariat.

In order to form and build this kind of communist party in India it is essential for communist organisations to concentrate their work among industrial workers and especially among big industrial centres. The communist party is the party of working class. Therefore, their physical presence is necessary in the party. It is further important to bring in more worker comrades in the party leadership. In this way only, the party can become truly a party of the proletariat.

Along with this, wherever possible it is necessary to work among other workers especially rural proletariat (including semi-proletariat). Urban intelligentsia, youth and students form another important area of work. In the villages, efforts should be made to attract small peasants towards revolution. But priority must be given always to industrial workers.

Generally, but especially in the present phase of the communist movement in India communist party norms of membership have to be rigid. Only members imbued with the spirit of revolution and supreme sacrifice and highly disciplined members can face the challenges of the present Indian revolution. Arming oneself with Marxism-Leninism-Mao Thought and regular involvement in the party activities will be the basic conditions of membership. At the same time to enforce party discipline, it will be necessary for every member to join a party organisation (unit, committee, commission etc.) and work. The norms of membership should not be relaxed under pretext of special circumstance or any other reason. For the communist party to become a truly mass party of working class relaxing the conditions of party membership is unpardonable. Instead, party has to struggle and put in hard work maintaining the quality of its members, to be able to mobilise crores of masses under its leadership.

For the quality of members of communist party and thus for the quality of whole party, the importance of ideology cannot be underestimated. In the present phase of retreat of communist movement in whole world and severe attack of bourgeoisie on the proletarian ideology, when within communist movement itself there are doubt and confusion about correct Marxist ideology, then to establish correct Marxist ideology among party members should be given topmost priority. At the time of giving membership, proper investigation about ideological maturity has to be undertaken and only those should be admitted who are equipped with Marxism- Leninism- Mao thought.

The party backbone must consist of a group of professional revolutionaries. Apart from basic units, higher party committees must consist of professional revolutionaries. The criteria of professional revolutionaries have to be strictly enforced. In the present phase of splits and fragmentation in the communist movement in India, there has been a great dilution of criteria of

professional revolutionary. This tendency has to be eliminated and an army of professional revolutionaries in the true sense should be raised.

In order that the party leadership gives correct leadership, it is essential that at every level leadership people incorporate particular with general. They should not only provide general direction but also as individuals translate them into practice and enrich them.

For the communist party to become truly a communist party it should have a formal structure and be operated by clearly defined rules. Formally operating an illegal and underground communist party has its limitation and we must not be a victim of formalism. In spite of it, wherever possible its structure and operation must be formal. The rights and duties of party members should be clearly defined at all levels. Rights without duties or vice versa – such a situation should never arise.

The communist party should abide by the principle of democratic centralism. Today when the party is divided in small organisations and groups then also these groups should follow the same principle of democratic centralism. It is a mistake to say that the principle of democratic centralism applies to party and not to groups. It is true that democratic centralism cannot be applied in small groups in the same way as in the Party. Still the same principles should be followed in the operation of these groups. The truth is that the Communist Party organisations (groups) cannot function under any other principle.

Similarly, it is not correct to say that in the present state of fragmentation in communist movements less stress should be given to centralism and more to democracy. To say this is to refute the kernel of democratic centralism. In the Communist party (even in groups), centralism is the concentrated expression of democracy. Therefore, if there is no democracy in any organisation centralism cannot exist there. There is dictatorship of individuals.

In the party functioning on the principles of democratic centralism, there is no place for factions and factionalism. Any type of faction cannot be allowed in the Communist Party.

At the same time, the debates arising in the party should be conducted in a correct manner. Continued growth of the party is dependent on the proper conduct of inner-party struggle. On the contrary if this is not done properly the party faces splits and break ups. For the correct way to conduct debates in the party appropriate mechanisms should be developed.

For a well-knit disciplined party it is necessary that organisational opportunism should not be tolerated. To remove the weakness of party members it is necessary to use the method of criticism and self-criticism with dexterity. At the same time, entire party should use the weapon of criticism and self-criticism as a method to remove its weaknesses.

But if this criticism and self-criticism is done in isolation to the people's struggles, then it may become idealistic and religious. Only through peoples struggle, any party can steel itself. The party and its members find out their weaknesses only through participation in people's struggles, and it is only through this that path is opened for their removal. All talk about communist transformation becomes spiritualistic if it remains removed from people's struggles.

In the present phase of the splits in the communist movements in India, the relevance of peoples' struggles increases because the groups are able to find out the weaknesses in their tactics and strategies through it and develop them accordingly. This paves the way to bring about a unified tactics and strategy between the different groups. This helps to develop a general, common base that takes the groups towards unity.

Party getting a base in the broader masses and the masses getting mobilized around party is another aspect of the peoples' struggle.

To carry out these mass struggles and also to carry out other party activities among the masses, formal mass organisations have to be organised. True, in times of severe repression it is difficult and at times may become impossible to formally operate these mass organisations even then, as far as possible it is necessary to formally organise and conduct these organisations. Through these, the accountability of the party to the people can be ensured. This accountability helps in the party building.

In these mass organisations mass line should be adhered. Effort should be made that mass character of these mass organisations emerges and lakhs and crores of masses join these organisations. In the operation of mass organisations sectarianism, vanguardism, spontaneity and tailism should be avoided.

These mass organisations should not be made frontal organisation of the party. If in any situation party needs frontal organisation, they should be separately constituted. Efforts should be made to make mass-organizations, real organizations of the masses, and the party should direct them only through its political influence.

In the present state of fragmentation of the communist movement, mass organisations should be so constituted and built that more than one communist revolutionary group can work in it. This will also help in the unity of the communist movement. In this, a very mature mass line is demanded from the communist revolutionary groups working in the same mass organisation.

Formation of joint fronts and its operation in a correct way is necessary for advancement of peoples' struggle and revolution. This united front can be of short or long term. It can be formed on minor issues or on major issues. On certain issues, it can be formed with enemy classes. In

forming and conducting united fronts, effort should be made to avoid sectarianism and democracy should be followed.

All the mass struggles and all the propaganda and agitation being conducted in the masses by the party should be revolutionary in both form and content. This propaganda and agitation must confirm to the glorious traditions of the International Communist Movement particularly the traditions of the Bolshevik party. These propaganda and agitation should be made in such a way as to be able to influence the target class, sections, or groups. In such propaganda and agitation, there should be no place for vanguardism and tailism. Needless to say, propaganda and agitation should be conducted in a manner that can influence largest possible populace.

But our mass struggle, propaganda and agitation must be free from economism or reformism. The Indian Communist revolutionary movement in its present phase is badly infected by reformism and economism. In the partial struggle of masses, particularly those of peasants, this tendency is at its peak. The tendency of economism and reformism has to be fought out in a very conscious manner and the communist movement should be made free from it.

As a result of reaction to the influence of reformism and economism, a tendency to avoid struggle for the partial demands of the masses and of terrorism is present in the Indian Communist Revolutionary Movement. In case of some groups, both tendencies of economism-reformism and terrorism are simultaneously present. There is need to wage a stiff fight against this tendency.

The Indian labour movement is badly helmed by reformism. This is basically due to the leadership position of revisionist parties in the labour movement. Under the leadership of such parties and bourgeois parties there has arisen in the labour movement (trade union movement) a bureaucratic middleman leadership that has become the main obstacle in the path of the labour movement to march in the revolutionary direction. The birth of this trade union leadership can be traced to the years (before 1990) of welfare state and it has structured accordingly. It is totally powerless to cope with the attack of ruling classes under the new policies of liberalism-privatisation and globalization and to repel them. Only a new militant leadership replacing it can advance the working class movement. This new leadership has to completely change the present method of functioning of the trade union movement.

To give this a practical shape it is necessary to form a mass political centre of workers. This centre has to be constituted with class-conscious workers. In its consciousness, it will be above trade union but below the communist party. But while forming it one must remain fully alert against the danger of liquidationism and anarcho-syndicalism.

While giving practical shape to all the above ideas, the activities of all groups should be directed towards building a unified all India Communist party. It must be the central task of all revolutionary communist groups to form and build a unified All India Communist Party. All the activities of ones group and their point of departure should be within this objective.

India is a country of many nationalities. But the Communist Party of India will not be a federation of communist parties of different nationalities. There will be a unified communist party for the whole of India.

Today an unified All India Communist Party can be formed and built only by coming together of all or most communist revolutionary groups. In opposition to it, it is wrong to think that one single group can itself one day become the All India Communist Party and other groups will either merge in it or disappear.

In this situation, to remain confined to ones own group, to consolidate ones own group against other groups by using non-political means, and on the basis of tactics and strategy to declare other groups non-revolutionary — these tendencies are the expression of sectarianism and are extremely incorrect. This weakens the entire communist revolutionary movement and blocks the road towards unity.

The present splits and fragmentation in the Indian Communist Movement has objective and at the same time ideological and political reason. To look at this phenomenon from a non-political point of view and to seek non-political reasons behind it is very wrong. To try to find its reason in the inter-relationship of the leadership, their ego etc. is still more mistaken. This will be viewing a very wide and objective problem from the individualist-idealist point of view.

What to speak of big questions of ideology and strategy, if on smaller questions of tactics and style of work, there are splits in small party organisations, then its reasons are not the conflicts between individuals. Rather it happens that for small party organisations, these small questions prove to be very big. The small questions, which could be solved by a well organised and mature All India Communist Party in moments, the same become overbearing for these small organisations and confronted with these questions, they disintegrate.

Only passing through a long, complex and difficult process, we will be able to get out of this precarious situation. For this, ideological maturity of the leadership of small party organisations is basic condition. A very conscious and serious effort is needed in this direction.

Before resolving the basic ideological and political differences, which are the cause of splits and fragmentation of communist revolutionary movement, all unity efforts are doomed to failure.

Opportunistic unity brought in this manner will very soon result in split because the basic reason of split remains.

Because of splits and fragmentation in the movement and as a result of sectarian behavior of many groups, the tendency of anarchism is also raising its head in the movement. It expresses itself in many ways. In some instances it manifests itself in giving stress on democracy as opposed to centralism, in some giving stress on form, in some giving emphasis to trade union work instead of party, in some giving emphasis to armed detachments instead of party and in some instances reaching its climax it manifests itself in dissolving the groups-eliminating their formal existence. Groupless communist movement and starting from there to build an All India Communist Party is highest expression of this tendency. This tendency of anarchism taking birth in the communist revolutionary movement needs to be crushed in the beginning.

A small but very dangerous trend of anarchism is the birth of free revolutionaries. These non-party revolutionaries often are at first a member of some group who run away after being under fire or encouraged by split become free revolutionaries. When some communist groups contact and have freak with these elements it provides encouragement to free revolutionaries and prepare the ground for the birth of other new free revolutionaries.

Along with this, there is another wrong trend in the communist revolutionary movement. It is giving shelter by a group to someone who has left one group. Such elements hardly contribute anything meaningful in their new organisation. On the contrary, to keep them in the organisation a lot of opportunism has to be enacted and this again encourages opportunism in the movement. When these deserters get shelter in other organisations it becomes difficult within the organisations to fight against the weaknesses and drawbacks of individuals. This as a whole makes it difficult for the communist revolutionary organisations to mature.

Another wrong trend is present in the Indian Communist Movement today. Many communist revolutionary groups instead of starting from real needs of the movement start from the taste of the leadership or their likes and dislikes. Because of it, even if they do not want, the entire organisation is cast in a particular mindset and mould and in many cases; it uses its entire energy in projects, which in the present condition of movement are tasks of secondary-tertiary priority. If there was an All India Communist Party, these deviations of leadership could be easily and sometime automatically prevented but today this tendency has to be eliminated through conscious and fierce struggle.

During the rise of women's and Dalit's movement in India another wrong trend in the communist movement is surfacing. In the name of removing social handicap, some groups are



talking of giving preference to comrades with women's or Dalits background and that too at par with class. Similarly, some groups are talking of making Dalit organisations. This is not correct. The communist Party can work among the pre existing Dalit organisations but it will not set them up. Similarly, it will not adopt any soft attitude towards Dalit bourgeoisie parties. Yes, the communist party, to advance the work of women's liberation, will form women's organisations. So far as the question of giving preference to comrades of different background in the party is concerned, there the criteria of class must be strictly followed.

Finally, our communist party, whose objective is to overthrow the ruling class and establish dictatorship of the proletariat, has to be basically a secret party. To take advantage of all legal avenues it can open a part of its organisation, but its main portion has to remain secret. In the face of harsh repression, it will be completely secret. This condition of party secrecy will remain even when no ban is imposed on the party. In the absence of an All India party, the communist revolutionary groups should follow the same principle of secrecy.

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## **Document - III**

# **POLITICAL RESOLUTIONS**

## **HOMAGE TO MARTYRS**

After the fourth conference in 1998 a number of Communists have sacrificed their lives for the great ideals of Communism, fighting against the state-power of the ruling class of our country and against the goons of the exploiters. Many communist revolutionaries have been martyred facing the bullets of the enemy in Andhra Pradesh, Bihar, Jharkhand and other parts of the country.

In Nepal, many communists and brave fighters of the people have given up their lives trying to advance the democratic revolution against the autocracy. In Peru, Philippines, Turkey and other parts of the world several communists and toiling people have become martyrs fighting Imperialism and the rule of exploiting classes. In Palestine, hundreds of anti-imperialist anti-Zionist fighters and communists have made the ultimate sacrifice in the struggle for a free Palestinian nation against the aggression of the Israeli-Zionist state.

Thousands of proletarians and members of the toiling classes, in the entire world, have sacrificed their lives in struggles against the exploitation-oppression of exploiting classes, against Capitalism-Imperialism.

This fifth conference of the Communist League of India (Marxist-Leninist) pays homage to all these communists and martyrs from the ranks of the toiling classes. The conference lowers its red flag in memory of these martyrs. The conference expresses its conviction that the sacrifices of the martyrs will provide us strength in our struggle to destroy the present unjust exploitative system, that their blood will hasten the struggle to convert the high ideals of communism into reality.

# **LONG LIVE MARXISM-LENINISM-MAO THOUGHT**

## **THE SIGNIFICANCE OF IDEOLOGY:**

Almost a century back, Lenin had stated 'there can be no revolutionary movement without a revolutionary theory'. These words of Lenin bring to the fore the significance of revolutionary theory, or put differently these words stress with clarity the necessity of a correct ideology.

Correct ideology means that ideology which represents the interests of the proletarian class, and paves the way for the establishment of a classless exploitationless society.

Only that ideology which has proved its correctness in social practice, is capable of providing scientific solutions to the questions of an age, and is capable of suggesting the road to the practical solution of these questions and problems.

There can be no doubt that any revolutionary theory or ideology can develop and enrich itself only during the course of social practice.

The question of a revolutionary theory or correct ideology has always been a question of central significance for the party of the proletarian class i.e. the communist party. It is not without reason that proletarian leaders from Marx to Mao waged fierce struggles against non-proletarian ideas during their lifetime, that they defended revolutionary theory and enriched it. It is not without reason that all traitors, deserters, bourgeoisie apologists fear the epochal truth of revolutionary theory and they try their level best to keep the proletarian class away from revolutionary theory. It is not without reason that the bourgeoisie class shivers when confronted with revolutionary theory, and it embraces revisionism with all its heart.

## **THE MARXISM OF OUR ERA:**

Our era is the era of 'Imperialism and Proletarian revolutions'. The correct ideology of our era is Marxism-Leninism-Mao thought. Marxism is that revolutionary theory which gave birth to the revolutionary movements of the latter half of the nineteenth century and of the twentieth century. By providing great educative lessons to the proletarian class through three great historical experiments, it illuminated the road that leads to an exploitationless classless society.

During this period, Marxism enriched itself and developed to the level of Marxism-Leninism-Mao thought.

These three great experiments were: — the Paris Commune of 1871, the October Revolution of 1917 and the subsequent construction of Socialism, the Great Proletarian Cultural Revolution under the leadership of Mao and the Chinese Communist Party.

The arsenal of Marxism-Leninism-Mao thought contains those universally significant concepts, which show the proletariat the path leading from present day class-society to classless-society. Estimates, assessments, evaluations by Marxist thinkers, Marx-Engels-Lenin-Stalin-Mao, of particular situations made at various times or programmes for revolutions (alignment of classes, tactics or path etc.) in different countries in different times do not have universal significance. Therefore dialectical-materialism, theory of class-struggle, the concept of surplus-value, the general critique of capitalism and of its highest form imperialism, the exposition of the class-character of the state, concept of the party of the proletariat (the communist party), concept of dictatorship of the proletariat, concept of a transitional society (socialism) between capitalism and communism, concept of class-struggle in Socialism and of the 'Great Proletarian Cultural Revolution' in order to prevent capitalist restoration etc. do constitute inalienable parts of proletarian ideology. But such evaluations as the one that the Indian village society was not feudal or that in backward countries the programme of revolution will be neo-democratic revolution and its victory can be achieved only by protracted people's war etc. are contemporary evaluations based on scarce or abundant facts, which can be changed if the need arises. They cannot be considered things of universal significance. They are not component parts of Marxism-Leninism-Mao thought, although a lot can be learnt and understood by knowing them.

In our times, the bourgeoisie class and revisionists are launching an all-round attack on the fundamental theses of Marxism. While the bourgeoisie resorts to slander in order to defame Marxism, the revisionists hatch conspiracies against Marxism by changing it under the plea of adopting it to particular time/place situations. This is an undeniable truth that internal saboteurs have done the greatest damage to Marxism. Marx, Engels, Lenin, Stalin and Mao gave a fitting reply to bourgeoisie attack and the conspiracies of internal saboteur — the revisionists. They defended Marxism and continuously developed this scientific ideology.

There are many non-proletarian ideologies present in contemporary society, which push back the struggles of the proletariat and give birth to various sorts of illusions within the revolutionary ranks. Among these some give the slogan 'Long Live Marxism, down with Leninism!' others say 'Long Live Marxism-Leninism, down with Stalin!' while others say 'Long live Marx-Lenin-

Stalin, down with Mao'. Present day revisionists and bourgeoisie apologists hate Stalin and Mao more than anybody else; it is against Stalin and Mao that they open their main fire. Enemies of the proletariat, stretching from the imperialists to revisionists of every kind, know very well that it was first Stalin and subsequently Mao who guarded the revolutionary teachings of Marx-Engels and Lenin, who put these teachings into practice and made significant contributions in raising these teaching to a higher level. It was Stalin and Mao who forced Imperialists to retreat, and who exposed the heinous designs of the revisionists in front of the proletariat.

The enemies of the proletariat know very well that it was Stalin under whose leadership, after Lenin's death, the first socialist state was skillfully built. At a time when all Imperialists were protecting their heinous self-interests and gathering profits, it was Stalin who provided leadership in saving humanity from the ravages of the Second World War. It was Stalin under whose leadership Fascism and Nazism were routed. The truth stands that it was Stalin and Mao, who provided all-out support to the National Liberation Struggles. They gave valuable/timely advice and assistance to these movements.

After Stalin's death, it was Mao who held high the red flag of the proletariat, who made a correct appraisal of Stalin when questions were raised against Stalin. He pointed out the historical significance of Stalin's work and drawing lessons from Stalin's mistakes, he initiated the 'Great Debate' against the CPSU, which had turned revisionist. He conducted a relentless struggle against modern revisionists Khrushchev and Brezhnev and sounded the call for the Great Proletarian Cultural Revolution in order to check the restoration of capitalism. The Great Proletarian Cultural Revolution laid before the proletariat theoretical concepts, based on which the proletariat can fight against the dangers of capitalist restoration, can keep building socialism and continuously move towards the attainment of humanity's great goal, the establishment of a communist society.

As deviations, aberrations, revisions of Marxism-Leninism-Mao thought, a number of non-proletarian ideologies exist and hold influence in the present world. They constitute a long chain. Some amongst these are revisionists ideologies of the old type. The influence of these ideas and their followers are scattered here and there. Amongst these revisionists of the old type Trotskyites are prominent.

Amongst present day revisionists, the Khrushchevites are the most influential in the international working-class movement. Their modern threads extend to Deng-tsio-ping. Today the Chinese Communist Party is the leader of revisionists at the global level. Whereas the influence of Russian revisionists reduced considerably after the collapse of the Soviet Union, the Chinese revisionists have emerged as the biggest enemies of the proletarian revolutionary movement.

Another non-proletarian ideological trend is represented by the leaders of those countries where at one time anti-imperialist national revolutions led to the formation of peoples' democracies. In the struggle against Soviet revisionism led by the CPC, these parties and their leaders adopted vacillating positions. Guided by their national interests, they adopted a compromising attitude towards Soviet revisionists i.e. they displayed opportunism. When Mao proposed the Great Proletarian Cultural Revolution as a means to prevent the restoration of capitalism, they did not take a position on it. Eventually, instead of consolidating Socialism, they ended up establishing state capitalism. Castro, Kim-Il-Sung, Le-Duan are representatives of this trend.

The influence of the ideas of the leader of Albanian Labour Party, Enver Hoxa, who stood against Khrushchev and other revisionists of the Soviet Union but did not accept Mao thought, is also present in the international arena. In many Latin American and African countries, the influence of Che Guevara's left-adventurist, pro-heroism non-proletarian ideology is present.

Apart from these main non-proletarian trends, many intellectuals and organisations breed illusions and aberrations amongst the ranks of the proletariat, even if the extent of their influence is very limited. Against all these, the revolutionary concepts of Marxism-Leninism-Mao thought need to be established. Only by waging a merciless ideological struggle against these alien trends can the ranks of the proletariat be consolidated on the basis of revolutionary theory.

During the last two decades, an unnecessary dispute has arisen over the question whether Mao-thought should be called Maoism or not. Mao-thought is term that was adopted by the revolutionary Chinese Communist Party during Mao's lifetime, which embraces, Mao and CPC's universal conception of the Great Proletarian Cultural Revolution. We need to save the revolutionary ranks from this unnecessary controversy and continue using the generally accepted term Mao-thought.

#### **A NEW ATTACK ON THE BASIC CONCEPTS OF MARXISM:**

Since the past few decades it has been clear to revolutionary ranks across the globe that the restoration of capitalism took place in the Soviet Union in 1956, and that by 1968 the Soviet Union had turned into a Socio-Imperialist country. Along with the Soviet Union, the colour of most Red Eastern European countries turned to Yellow. Today, revolutionary forces know that there isn't a Socialist country anywhere in the world, that the proletariat is not in power in any country, that the Socialist Camp is non-existent. But, the leaders of Imperialist countries and their intellectuals started portraying the disintegration of the Soviet Union in the 90's and the earlier events in Eastern Europe as the defeat of Socialism. The intellectuals of the bourgeoisie in the third world and the rulers of these countries sang in chorus.

With this appeared post-modernism. This ideology, which emerged towards the end of the 20th century, is a capitalist ideology in its naked form, but because of the clever use of language, it presents itself as a supra-class ideology. In a society divided into classes, there can be no supra-class ideology. Any ideology will definitely serve the interests of a particular class. Post-modernism stands opposed to the ideology of the proletariat i.e. opposed to dialectical materialism. It accuses Marxism of being totalitarian, reductionist and Universalist. In place of the dialectical method, it establishes the meta-physical method and in place of materialism, it establishes idealism. While describing nature, society, events-phenomenon it does quite a bit of jugglery with words and reducing itself to eclecticism of the worst kind, it opposes dialectical-materialism and thereby serves the bourgeoisie. In the second-half of the twentieth century post-modernists, degenerate socialists and bourgeoisie intellectuals raised many cacophonous voices such as "revolutions have died", "the end of ideology"..... Alongwith this these mid-night goblins, jackals, bats are attacking those fundamental concepts of Marxism which were established through fierce social struggles. After desecrating the statues of Lenin/Stalin, they have been shouting that they have won conclusively, yet they themselves do not believe this.

Many revisionists, skeptic intellectuals with a defeatist mind-set, original thought messiahs, internal saboteurs and traitors from communist ranks have joined these post-modernists in a boisterous manner. They have tried to create confusion in communists ranks and among the proletariat by talking of a "new situation" or "open question" etc. The ghosts of dead rats having built halos of their gods are now trying to tell the proletariat that they are its new salvators, that the age of revolutions is over, that classes lie diffused and that only their 'new social movements' can liberate the proletariat.

Only the name of these thinkers is new, their work and their ideas are continuations of the heinous deeds of the old revisionists.

There has emerged a group of jokers who say that the conception of a class-society formulated by Marx is now out dated and that class-structure has now been covered by their so-called social-structure. Therefore, instead of class, social identities such as race, caste, women, tribal etc. are giving birth to new social movements. Jokers of this group have replaced class with social identity, class struggle with new social movements that promote class-collaboration, proletarian internationalism with 'internationalism' of a new type. Despite their propositions, perceptions and allusions to new social situations these jokers do not tell us what kind of society this is? What are its production relations? Who are the exploiting and exploited classes? What is the mode of production? Why is the character of the state-power oppressive?

The funny talk of post-modernists is supported by a large number of revisionists and other Marxists who have fallen prey to right deviations. They question the concept of the dictatorship of the proletariat, and by criticising Stalin, they try to project themselves as bigger supporters of democracy. Talking of the democratic extension of proletariat dictatorship, they surreptitiously try to convert it into bourgeoisie democracy i.e. into the dictatorship of the bourgeoisie. They say that in Socialism in place of one party (communist party) rule there should be a multi-party arrangement.

The enemies of the proletariat and traitors are even trying to change the Leninist concepts of the Party. Although swearing by Lenin, they try to kill Lenin's concepts by saying that Lenin's teachings should not be interpreted mechanically. History, since the collapse of the Second International and during the period after it has proved that many communist parties who did not grasp Lenin's teachings "mechanically" in fact turned into revisionist or bourgeoisie parties, and thus became incapable of concluding revolutions. These traitors, while advocating the creation of an open party in place of a secret party, only democracy in place of democratic-centralism, a party of more competent people instead of a party of professional revolutionaries etc. are proving themselves to be the children of Mensheviks. They try to kill the fundamental organisational principles of Leninism, and by attempting to rob the proletariat of its most reliable weapon (the communist party), they try to convert the proletariat into a worthy servant of the bourgeoisie class.

Apart from proletarian dictatorship, another concept that is unacceptable to these new champions of revisionism is the concept called 'Great Proletarian Cultural Revolution'. The Chinese revisionists and traitors of the working class call the Great Proletarian Cultural Revolution, the Great Catastrophe. Bourgeoisie theoreticians and Imperialists also use similar expressions for it. The period of the Cultural Revolution is called 'the reign of terror', 'anarchy' etc. At the time of



restoration of capitalism in the Soviet Union and the Eastern European countries when the bourgeoisie of these countries and Imperialism was elated at their success, the Chinese Communist Party and its leader Mao proposed the Proletarian Cultural Revolution as a solution to this problem. Creatively developing the teachings of Marx-Engels and Mao, learning from the great experiment of the Paris Commune and creatively applying dialectical-materialism they proposed the concept of the Proletarian Cultural Revolution and practiced it in Chinese society. It is because of this great contribution by Mao Tse-tung, that revolutionaries across the world talk about Mao thought with such profound respect. And it is precisely for this reason that traitors, revisionists, pseudo-communists denigrate the Great Proletarian Cultural Revolution. Indeed this is true, because the GPCR turned out to be a great catastrophe for the bourgeoisie.

By raising questions about the basic concepts of Marxism-Leninism-Mao thought, cunning bourgeoisie intellectuals cannot be successful in their heinous aims. Communist Revolutionaries and the working-class will not allow the heinous designs of imperialists, revisionists and post-modernists to succeed. After every attack by revisionists and deranged imperialists, Marxism has always emerged more energetic, lively and stronger; the present time will be no exception. Using revolutionary theory, the proletariat under the leadership of its party will once again establish proletarian dictatorships in the world. Using the concept of the Great Proletarian Cultural Revolution, the proletariat will fight the danger of capitalist restoration and will continuously advance towards the establishment of an exploitation-less, class-less society.

## **TWO NON-PROLETARIAN TRENDS PRESENT IN THE INDIAN COMMUNIST MOVEMENT**

Today the Indian Communist Movement is passing through a period of crisis. The danger of right opportunism confronts the Indian Communist Movement as the main danger. During the decades of the eighties and nineties, many communist organisations one after another tilted towards the right. Displaying ideological opportunism, they turned into revisionist organisations and ultimately joined the ranks of the bourgeoisie.

In a situation where, the Indian proletariat and toiling masses were already reeling under severe crisis due to the temporary defeat of Socialism, under the offensive of Imperialism and the Indian ruling class (which was not facing any serious challenge from the revolutionary forces); advancing right opportunistic tendencies kept on eating the revolutionary ranks like termite. This opportunism is breeding many illusions in the revolutionary ranks, in the ideological plane as well.

Therefore, a merciless struggle against this opportunism is needed at the ideological level. Main expressions of right opportunism in the Indian Communist Revolutionary Movement are:

- Formally accepting Marxism-Leninism-Mao thought as the guiding revolutionary theory, but showing vacillations in practice.
- Showing hesitancy in accepting the fact that the restoration of capitalism took place in the Soviet Union in 1956. This position is not the same as that of imperialists and revisionists, but after using many if's and but's it implies (or sometimes states) that socialism existed till 1990. It explicitly overlooks the socio-imperialist character of the later Soviet Union.
- Similarly, recognising current changes in China as a continuation of the experiments of Chinese Socialism. Adopting a vacillating position on what is right and what is wrong about the history of the Chinese Communist Party.
- Not taking a firm position on the ideological aspect of the Proletarian Cultural Revolution and the contribution of Mao-thought in checking the restoration of capitalism, in fact having a skeptic attitude towards the GPCR.
- Placing Stalin's oversights-mistakes at par with his great achievements in continuing the dictatorship of the proletariat, building socialism and defeating Fascism decisively. Disregarding Mao's evaluation and line on this question. Adopting the attitude of freethinkers.
- Displaying lack of faith in proletarian dictatorship (a transitional period between capitalist society and communist society in which classes and class struggle exist), and giving expression to opportunistic tendencies by talking of the need to introduce new ideas into the concept of proletarian dictatorship (in the name of democracy).
- Surreptitiously or gradually changing in practice the Bolshevik policy on a secret party, by referring to the existence of bourgeoisie democracy or citing the existence of other circumstances. Agreeing formally in theory on the need for a secret party, but qualifying the agreement with many if's and but's.
- Exaggerating the role of the peasantry in the Indian revolutionary movement, and viewing the peasant problem with a peasant perspective and not adopting a proletarian viewpoint towards the peasant problem.

- Not adopting a firm proletarian position on questions like caste, tribe, nationality, women, environment and succumbing to supra-class deviationist views on these questions.
- Being consciously or unconsciously influenced by some forms of economism, trade unionism, legalism, reformism and worship of spontaneity. Not putting up a relentless struggle against these deviations.

Although the right constitutes the main danger for the Indian Communist Revolutionary Movement, "left deviations" also exist as dangers for the movement. Very often "left deviations" begin as a response to the right. During the course of the struggle against right deviations, left deviations get reinforced and all this takes place under the manner of fighting the right. The history of the Indian communist revolutionary movement is also a witness to the fact that many "left deviations" have with the passage of time changed into right deviations. Main expressions of "left deviation" in India are:

- Negation of mass-line and adoption of left terrorist line. The consequence being alienation from the broad toiling masses, and falling prey to vanguardist politics. Holding the idea or at least treating in practice the proletarian class and the toiling masses as inert matter and assuming that their liberty will depend on a few heroes.
- Considering armed-struggle to be the sole form of class struggle. Overlooking the specific conditions of society and substituting armed struggle for revolutionary politics and ideological struggle. Using armed-struggle as a measure of revolutionary character, instead of ideology. The result of this being that in essence instead of being regulated by ideology, politics and the revolutionary organisation, armed struggle on the contrary begins regulating them. Armed struggle becomes an aim in itself.
- Considering individual annihilation to be a form of armed struggle.
- Reducing the significance of mass-struggles, mass-organisations, mass-movements.
- Ignoring the mass character of mass-organisations and imposing ideology/politics upon them in an artificial and mechanical manner.
- Not understanding the significance of the class-allies of the proletariat, or reducing their significance.

- Not utilizing opportunities for legal work. Inability to combine illegal work with legal work. Considering legal work to be a right deviation.

Like right deviations, "left deviations" also give rise to a number of illusions amongst the proletariat and other toiling masses. In the Indian communist movement, they give rise to sectarianism, group mentality, vanguardism, unnecessary violence and unnecessary sacrifice, false optimism, dogmatism etc. Left deviations, with the passage of time have also given rise to many right deviations such as economism, reformism, parliamentarism.

### **MARXISM IS THE PHILOSOPHY OF ACTION:**

An important aspect of Marxist ideology is applying its principles in social practice and serving the proletariat; intervening in the social-system in order to advance the interests and aims of the proletariat and formulating necessary strategy and tactics in order to change the social-system; accelerating the class-struggle existing in society, overthrowing the dictatorship of the present ruling class and establishing proletarian dictatorship, advancing towards socialism by continuously building socialism.

To confine Marxist philosophy to level of thinking-reflection or to limit it to discussions on social events, phenomena, means converting it into bookish knowledge, pushing it into the marsh of inactivity. The enemies of the proletariat can have nothing against this brand of Marxism cut-off from social practice and experiment.

The practical aspect of Marxism separates it, makes it different from all philosophies that have come into existence so far. Rather than merely being a philosophy for comprehending the world, it is also a philosophy for changing the world. It is only during attempts to transform the world that Marxism has developed and advanced. It was only by directly engaging in social practices that Lenin, Stalin and Mao raised Marxism to the level of Leninism-Mao thought.

Marxism is a science; therefore only through practice and experiment, can it be developed and enriched, and this is precisely what has taken place. The truth of Marxism has been established through this process.

The bourgeoisie finds the theoretical aspect of Marxism objectionable, but Marxism cut-off from practice is harmless for it. Marxism closely associated with social practice is a cry for war; it is a signature on the death warrant of bourgeoisie society. It is not without reason that many

Marxist intellectuals divorced from practice have been receiving patronage from the bourgeoisie, but ordinary cadres engaged in practice have had bullets fired on them.

Today, once again the practical aspect of Marxism needs to be established. Various sorts of deviations have cropped up in the World and in the Indian revolutionary movement as a consequence of intellectuals and organisations retreating from social practice. Among these eruditism, passive radicalism, reformism, repeating the same fruitless work for years, raising the flag of ideology in a formal manner but not engaging in practice etc. We can get rid of all these diseases if we engage in necessary revolutionary practice corresponding with revolutionary theory.

## **ON THE FORMATION OF AN ALL INDIA COMMUNIST PARTY**

The communist revolutionary movement of our country has been trying to form an All India Communist Party since the past three decades.

The decisive rapture, which took place as a consequence of the rebellion against the neo-revisionist, leadership of CPI (M), at the time of the Naxalbari peasant uprising, could not result in the formation of a correct revolutionary communist party. The setting up of an All India Co-ordination committee by communist revolutionaries was a step in the right direction. But the methodology of running the co-ordination committee like a party committee, dis-affiliating people from the committee in an arbitrary and bureaucratic manner, and constituting the C.P.I. (M-L) with out preparations and in immature conditions, were wrong steps that sowed the seeds of the sequence of splits and disintegration in the very beginning itself. Actually the formation of the C.P.I (ML) in 1969 and its congress in 1970 were based on organization sectarianism and a left terrorist line. Although it is true that communist revolutionaries outside the CPI (ML) who were practicing a relatively correct revolutionary mass line, could also not avoid splits and disintegration.

Today, after more than three decades have elapsed, the communist revolutionaries of our country have still been unable to form an All-India proletarian party. This situation is a sad but hard reality for the liberation struggle of the proletarian class and other toiling masses of the

country. At this time a number of "parties" exist that make claims to being real heirs of CPI (ML). Besides these a number of communist groups also exist. Infact all these parties and groups are pre-party organizations. Among these pre-party organizations, besides differences on issues such as; the ideology of the proletariat in the present world, evaluation of the international situation, programme for the Indian revolution, regulation of pre-party organization on Leninist organizational-principles; there also exist differences on questions such as whether the work should be concentrated in the proletarian class or not, whether leading bodies of the party organization at various levels should be made up of professional revolutionaries or not, whether the party structure should be secret or open etc.? Differences on revolutionary mass-line still exist. It is due to such fundamental differences, that organizations exist as pre-party organizations. The basis of these differences lies in ideology-politics and organizational principles. Therefore without resolving these differences, an All-India Communist Party cannot be formed merely on the basis of good intentions.

The Communist Party is the party of the proletariat. It is the vanguard detachment of the proletariat. The organizations working as pre-party organizations are the vanguard detachments of the proletariat. It is out of there organizations that the headquarter of the proletariat, the All-India Communist Party will be formed. The party should have a broad base in the proletarian class, and members of the proletarian class should become its leaders and members in large numbers. Generally there is no need to state these things but in our situation communist organizations have differences over this as well. Many communist organizations verbally claim themselves to be parties of the proletariat, but in their composition and mass base and above everything in their outlook they remain, in the main, parties of poor/small peasants and tribals. No correct communist party can be formed without struggling against and defeating this deviation.

In the first place the basis for the formation of a correct communist party can be nothing but ideology. There exist differences about Marxism-Leninism-Mao thought i.e. the correct Marxism of the present time. In our movement there exists a wrong methodology of considering the question of stage of revolution in a country to be an integral part of Mao-thought. The tendency to incorrectly mix up the question of programme with the question of ideology, exists. Besides this, in the absence of a Marxist summing up of the left terrorist line, there exist serious deviations (left and right, both) on the inter-relations between the party-organization and the mass-organizations, on the attitude towards mass-struggles and partial struggles; while directing the party-organization. Many communist revolutionary organizations have an apathetic attitude towards ideological questions and towards the entire revolutionary camp, which does not indicate

a proletarian attitude. Influenced by the bourgeois viewpoint of keeping the workers movement away from revolutionary ideology, some revolutionary organization confines themselves to the trade-union movement. Such deviations in the ideological sphere propel communist revolutionary organizations towards opportunism, which is the source of right deviations. Without ideological firmness the highest organization of the proletariat – the communist party – cannot proceed towards the accomplishment of its historical mission. Therefore communist revolutionary organizations have to defend today's correct Marxism i.e. Marxism–Leninism–Mao thought, and they need to defeat deviationist trends and tendencies. Today when the capitalist class and its intellectuals are waging an all-round offensive against the ideology of the proletariat, at the international level and in our country too, and the traitors within the working class movement are helping it in this endeavour, the responsibility of the highest organization of the proletariat – the communist party– to fight back this attack increases, not only in the sense that the defense has to be polemical but that while building their party organizations and while directing mass-struggles, communists need to display ideological firmness, and at the same time they need to expose revisionism. Attacks on the proletarian view that the party-organization should not have a secret apparatus, that the communist party should not be formed on the basis of consolidated units of proletarian revolutionaries etc. need to be repulsed and defeated adopting firm ideological positions. Without ideological unity the formation of a correct communist party is unimaginable.

One important reason for the continuation of the existing situation of splits and disintegration in the communist revolutionary movement in our country is that many organizations, despite declaring the task of formation of an All-India Party to be their central task, do not take any initiative in trying to resolve ideological and other differences nor do they give this task any importance. Absorbed in their routine work, these organisations side track the work of formation of an All-India Party.

Besides this, in many organizations there is present a dangerous sectarian tendency, that despite swearing by unity, they reject any attempt towards this on the plea that it will not succeed. Neither do they put forward any parallel alternative, nor do they become a party to any unity efforts. Like hermits leading a solitary life they keep their organizations cut off from the rest of the movement, although they keep claiming that the formation of an All-India Party is their central task. Without smashing these sectarian deviations we cannot move forward in the direction of formation of a unified All-India Communist Party.

Here it needs to be remembered that while revisionism changes the basic principles of Marxism citing changes in conditions /circumstances, dogmatism on the other hand, inspire of

changes in circumstances remains stuck to old formulations repeating that nothing has changed i.e. it tries to cut the foot to fit the shoe. In our communist revolutionary organizations, dogmatism has a lot of influence. For some communist organizations, even today, the contradiction between the Imperialist Camp and Socialism still operates as one of the basic contradictions in the world. Some other examples of dogmatism being the belief that even today the social-prop of Imperialism is Feudalism, or the understanding that the geographical division of the world among Imperialist powers is one of the basic specificities of Imperialism even today. Dogmatism, present in the communist movement, is also responsible for the existence of differences and for the persistence of disintegration.

This dogmatism when applied to assessment of the international situation gives results so strange that it appears that inspire of changing, nothing has changed in this world. Many communist organizations, try to incorporate in their old framework clearly visible changes in reality, although life has all ready transcended their very framework. Similarly when an assessment is made of the present Indian social system based on this dogmatism, it appears as if no changes have taken place in Indian society since 1947, and its class composition remains basically unchanged.

Thus differences continue to exist among various communist revolutionary organizations on the assessment of the international situation and on the question of the programme for the Indian Revolution. It is natural that when such wide differences exist there can be no revolutionary unity. The most tragic aspect of this is that to the extent, which facts of life compel them, attempts are made to fit these facts into the old framework, but comrades are not willing to reconsider that framework. As long as unity is not achieved amongst communist revolutionary organizations on questions related to the programme of the Indian revolution and on the assessment of the international situation, the problem of formation of an All-India Communist Party cannot be resolved.

There are also differences between communist revolutionary organizations on the question of application of Leninist organizational principles. Some of these have been discussed earlier on. Despite theoretically accepting the Leninist organisations principles of democratic-centralism, pre-party organizations express inability to implement them. It must be made clear at this point that pre-party organization need to stand by democratic-centralism in the some manner in which an All-India Communist Party will stand by them. Within the movement somewhere there is emphasis only on democracy, and in some places only on centralism. With regard to



organizational principles this is an aberration, and only by struggling against it and defeating it can we proceed towards building a correct party.

Besides this in moving towards the formation of an All-India Communist Party, a big obstacle is the absence of a responsible communist approach towards our mistakes. There exists in our movement a tendency to get rid of mistakes through the backdoor. Therefore a correct summing up based on principles does not take place. Consequently the movement is doomed to move from one deviation to another, like a pendulum. Many communist revolutionary organizations neither have a principled summing up of the left terrorist line, nor of the rightist line. As there is an absence of a responsible communist approach towards one's mistakes, therefore there exists an opportunistic approach towards these lines. As long as there exists among communist revolutionary organizations, a lack of merciless analysis w.r.t. our past mistakes and we do not accept responsibility for them, there will remain obstacles in the formation of an All-India Party.

These happen to be the main ideo-political-organizational hurdles in the path of uniting the Indian communist revolutionary movement into a unified party. Besides these there exist differences on strategy and tactics, whose basis lies in the above mentioned hurdles.

This is the reason why various efforts to achieve unity in the past could not lead to the formation of an All-India Communist Party. Ironically, sometimes, even before the ink had dried on, unity resolutions we witnessed splits and disintegration. We have before us examples of splits after unities and mergers were forged by drawing a curtain on these basic questions or even when there was agreement on some strategic and tactical issues.

We have before us the hollowness of those arrogant claims, which say that they are the All-India Communist Party. All such claims, act as unnecessary hurdles in the task of forming the Communist Party. In a similar vein the claim that today the main task is party-building, which will in coming days lead to party-formation, is as good as saying that the organization making this claim will become the party. Failure to understand the dialectical relation between party-formation and party-building is the reason behind such arrogant claims. The movement even contains such anarchist deviations who think that the very presence of pre-party organizations is a hurdle in the formation of an All-India Party. There can be no two opinions that in order to advance towards the constitution of an All-India Party, deviations related to Party-formation need to be defeated.

Here this fact needs to be kept in mind that the history of the communist movement in India is old, and the formation of an All-India Party is not like the phenomena that is witnessed in the initial phase of the communist movement. Neither is the condition of communist movement

similar to what it was immediately after the Naxalbari peasant uprising. After the Naxalbari peasant uprising most communist revolutionaries had come out of the same party after rebelling against it. The All-India Co-ordination Committee was formed by people from various states and districts who had rebelled against the neo-revisionist leadership of the C.P.I. (M) at that time their ideo-political-organizational positions had not adopted the definite contours of a group. Their rebellion against neo-revisionism was their identity. Today the situation is quite different. Most communist revolutionary groups have forged a definite ideo-political-organizational identity during this long period. They direct their pre-party organizations in a party like manner. In this situation, the conduct of an ideo-political-organizational struggle between these pre-party organization requires more patience and wisdom. The most important thing being that a structure is required for this struggle, so that path towards the formation of an All-India Party can be cleared. We have already seen extremely harmful results of any sort of opportunistic unity i.e. unity efforts that were made by communist revolutionaries when they ignored basic differences present inside the movement.

The constitution of the Co-ordination Committee, in the wake of the Naxalbari peasant uprising, was a step in the right direction for advancing towards the formation of the party. Today in different circumstances, the struggle for the formation of an All-India Communist Party can be advanced by forming a similar co-ordination committee. The pre-conditions for joining such a co-ordination committee must be at least:-

- that the organization accepts Marxism–Leninism–Mao thought as its guiding ideology.
- that the organization believes in a secret organizational structure, has a leading committee composed of professional revolutionaries and it practices Leninist organizational principles.

A co-ordination committee composed of organizations that fulfill these two minimum requirements will have to evolve appropriate procedures in order to resolve differences on basic questions that exist within it. Among these, will be the publication of a joint theoretical-ideological journal and the organization of joint practical activities by constituting organizations.

Representatives to the co-ordination committee should be members of the highest committee of their respective organizations. All decisions within the co-ordination committee should be made on the basis of consensus. Decisions taken within the co-ordination committee should be binding on constituting organizations.

There should be scope within the co-ordination committee for constituent organizations to advance bilateral or multi-lateral talks and if possible for two or more organizations to merge

when unity is achieved. Even after this, even after their merger the new organization should remain a part of the committee.

This committee, made up of various organizations, will mainly be a committee whose central task will be the formation of a unified communist party at the All-India level. Its name can be any other name, besides the name Co-ordination Committee. The main thing is to define its task and its sphere of work.

This conference takes the decision that if any such process is initiated, we as a pre-party organization will contribute to the best of our capacity. We will also explore the possibility of initiating this process within our capabilities.

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